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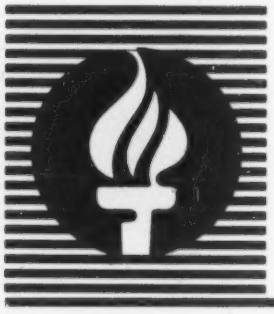

The Conference Board

Corporate Experiences with Drug Testing Programs

A survey of 681 major corporations examines:

- *the range of responses to workplace drug problems*
- *reasons for launching drug testing programs*
- *implementation and operational procedures*
- *company results and recommendations*

Research Report No. 941

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Corporate Experiences with Drug Testing Programs

by Helen Axel

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A Research Report from The Conference Board

A supplement to this report, containing examples of corporate substance abuse/drug testing policies and procedures, can be purchased through the Board's Publication Sales Department.

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From the President

Over the last decade, drug abuse control has been a top priority on the nation's agenda. Today, while statistics suggest a decline in drug use among young people, the demand for drugs elsewhere in the population remains unacceptably high. Drug supplies, despite interdiction efforts, also continue to be alarmingly abundant.

Drugs bring serious problems to the workplace—problems that lead to far-reaching costs for employers and employees. Drug-taking puts users at risk and threatens the health and safety of others. Company property is exposed to drug-related theft, accidents, and possible legal liability. Treatment programs and related expenses place added pressure on skyrocketing corporate health care costs. And time and productivity losses mount because of absenteeism and poor performance on the job.

This study, based on a national survey of 681 firms, examines how companies are currently addressing workplace substance abuse. With a focus on drug testing, the study reviews how companies have expanded existing substance abuse measures, or developed new ones, to provide a comprehensive strategy to deal with drugs on the job. Company experiences and results are analyzed in the survey and interview data.

The Conference Board is indebted to the National Institute on Drug Abuse of the U.S. Department of Health and Human Services, for its grant providing partial funding for this study. The Board also expresses its appreciation to the many executives who cooperated in the survey, and to the hosts, speakers, and participants of the Board's seminar series on implementing drug testing programs, who contributed additional insights and expertise to this report.

PRESTON TOWNLEY
President

Highlights

Since the early 1980s, workplace drug testing has grown from a few controversial programs into a substance abuse control strategy used by about half of the nation's major corporations. Results from The Conference Board's survey reveal that 55 percent of the companies polled in 1988 were actively testing job applicants and/or employees, or were about to implement drug testing programs.

Profile of Companies That Test for Drug Use

- According to the Board's survey, three-fourths of the companies with drug testing programs are manufacturers and gas and electric utilities, and nearly 60 percent employ at least 5,000 workers. Almost half of the companies without testing programs are in banking, insurance or other financial service businesses, and the majority have fewer than 1,500 employees.
- Based on the experience of the companies surveyed, most major corporations are engaged in efforts to control drugs and drug abuse in the workplace. Companies with drug testing programs, on average, appear to have more experience in dealing with these problems. Drug testing is typically part of a comprehensive strategy that includes a written substance abuse policy, an employee assistance program, and a drug education and awareness program. Such coordinated efforts to combat substance abuse are far less common in firms that are not engaged in drug testing.

Reasons for Developing Drug Testing Programs

- Widespread drug use and abundant supplies of illegal drugs, accompanied by more vocal public opposition to these trends, have encouraged companies to adopt comprehensive substance abuse programs. Paralleling corporate efforts have been a host of government initiatives, from the "Just Say No" campaign, to drug testing of employees in federal agencies, to mandatory random testing now required under Department of Transportation regulations.
- Companies cite evidence of drug problems among employees as the primary reason for considering a drug testing program. Drug testing of applicants and employees is viewed, too, as a deterrent and preventive measure, and a strategy to assure greater workplace safety. Companies are also concerned about their exposure to legal challenges in the event of drug-related accidents and incidents, and to the costs associated with employee drug use.
- Firms that have rejected drug testing report such reasons as the threat of legal action connected with test procedures or results, the failure of drug testing to measure impairment, employee or union resentment, and an incompatible corporate philosophy.
- Few companies have investigated or launched drug testing programs without conducting extensive deliberations and research. Survey results show that a typical firm spends between eight and nine months examining its options before a decision is reached.

Features of Drug Testing Programs

- Nine out of ten companies surveyed with drug testing programs administer tests to job applicants, and three out of four firms reveal that accidents, incidents or observed suspicious behavior trigger employee drug tests. Testing conducted to monitor an employee as part of a rehabilitation program, during a routine physical exam, or on a random basis, is much less commonly done.
- Survey results show that companies tend to centralize the management of their drug testing programs. More than half of the companies engaged in drug testing report uniform policies and procedures throughout the company. Another third describe corporate-level coordination, but operational control at the local level.
- Close to two-thirds of the survey respondents in firms with drug testing programs contract with one laboratory to analyze all urine samples submitted by the company, and nearly two-fifths of the firms engage an outside laboratory to collect, as well as process, the test samples.
- A high degree of uniformity in program design and procedures is evident in the survey responses. Nine out of ten drug tests are designed to detect cocaine, marijuana, opiates, barbiturates and amphetamines; and the major corporations in the survey tend to follow similar steps to assure sample integrity, safeguard the chain-of-custody process, and monitor quality of the test procedures.
- Positive test results virtually guarantee that an applicant will not be hired, but three-fourths of the firms studied will accept reapplications after a waiting period. Employees with

positive test scores in the surveyed companies are almost always given the chance to seek help in an employee assistance program, but refusal to cooperate or failure to complete a rehabilitation program can lead to dismissal.

Assessments and Recommendations

- Because most drug testing programs in the survey were recently implemented, few companies were able to document trends in test results. Those that provided this information recorded a generally downward trend in test positives. Company executives concede, however, that a more sophisticated test-taking population may be responsible for part of this decline.
- Companies credit drug testing programs with raising the quality of job applicants, improving the work environment, and enhancing the company's image. But employers are less certain about drug testing's effect on job performance or on reducing the extent of drug abuse problems at the workplace. In addition, about a fifth reported employee opposition or encountered other problems in implementing their programs. Court challenges were encountered by 12 percent of the companies surveyed, and about double that percentage faced arbitration proceedings.
- In order to be successful, drug testing programs, like other corporate initiatives, require visible top-management backing, consistent goals, and ongoing education and communication. Broad-based support can be encouraged by considering a wide range of views in the program's design, and communication of the program's positive impact is recommended.
- While many companies with drug testing programs recommend that others "get involved," executives also caution that firms not now testing for drug use should consider their own unique circumstances and evaluate the benefits of other substance abuse control measures. Experienced executives in the Board's survey believe that drug testing is a useful tool—not a stand-alone "solution"—for dealing with workplace drug problems.

Survey Method and Profile of Respondents

This study is based on a survey of corporate human resources executives, supplemented by a series of interviews and seminar presentations involving executives from 17 corporations. Additional information was gathered from published articles and survey data on drug issues, reports published by the National Institute on Drug Abuse, presentations by attorneys specializing in labor law, and a visit to a drug testing laboratory. A review of recent legislation and its implications for private sector employers is incorporated in this analysis.

The survey, conducted in the Spring of 1988, examines corporate experiences with drug testing programs in the context of other substance abuse control measures. A total of 2,675 questionnaires were mailed to the senior human resources officers in the largest corporations in manufacturing, gas and electric utilities, finance and insurance, transportation, wholesale and retail trade, and other—primarily service—industries. Although national in scope, the survey is not representative of all U.S. corporations, nor even of very large corporations. While quantitative data are presented in the report, the focus is primarily on the experiential information provided by the respondents.

The survey yielded 681 responses, or a 26 percent response rate (Table A). Returns from manufacturing firms and financial institutions were close to, but slightly above, the overall response rate. Participation among the utilities was significantly higher (39 percent) while responses from the other industry groups surveyed averaged considerably less (19 percent). The survey response rates, while low for some types of research, are considered above average for surveys involving employers. An overall response rate of 20 percent is an acceptable standard in research conducted by The Conference Board.

Table A: Respondents and Response Rates by Industry

Characteristic	*Number*	*Rate*
Total Sample	681	25.5%
Manufacturing	262	26.5
Finance, Insurance	186	25.8
Utilities	104	38.8
Other Industries	129	18.6

Although the study focuses on very large corporations, companies selected in the sample were measured according to their sales, assets, or deposits, rather than number of employees. Thus, some variations in work-force size are evident. The largest firms in the goods-producing industries tend to have more employees overall than firms in the financial and other services sector.

Manufacturing and financial businesses together comprise close to two-thirds of the respondents, utilities account for 15 percent, and transportation, trade, and other (primarily service) industries constitute the remaining 19 percent (Table B). Somewhat more than a fourth of the firms surveyed employ less than 1,500 workers, but 44 percent have more than 5,000, and 13 percent reported at least 25,000 employees.

Table B: Distribution of Survey Respondents

Characteristic	Percent Distribution
Total Sample	100%
Industry	
Manufacturing	38%
Finance, Insurance	28
Utilities	15
Other Industries	19
Domestic Work Force	
Under 1,500	27%
1,500 to 2,500	14
2,500 to 5,000	15
5,000 to 10,000	17
10,000 to 25,000	14
25,000 to 50,000	7
50,000 and over	6
Headquarters Location	
Northeast	26%
North Central	36
South	25
West	13

The surveyed companies are geographically dispersed, with all but four states represented in the participants' headquarters. Over two-thirds of the respondents are located in the northern quadrant of the United States, a fourth from the South, and the remaining companies are headquartered in western states.

Chapter 1

The Climate for Workplace Drug Testing

During the last five to seven years, drug testing has become widely accepted in the corporate community as an appropriate strategy for deterring or controlling substance abuse. In the early 1980s, very few companies had had any experience with this practice, and those that did engaged in employee drug testing only under certain specified (and limited) conditions. Pre-employment testing was minimal, if not nonexistent. The situation has changed dramatically today. According to recent surveys, including The Conference Board's study, about half of all major corporations have now implemented drug testing programs designed to screen current employees and/or job applicants.

When testing programs were first introduced, they generated widespread resentment and controversy. Now, although legal challenges have not disappeared, some of the early criticisms about the reliability and appropriateness of drug testing have been set aside or resolved. Over the last few years, major corporations have learned more about these programs, and have a more thorough understanding of their capabilities and limitations. In addition, better control over laboratory standards has been achieved and appropriate testing procedures are more routinely followed. Drug testing initiatives in the federal government, although not directly affecting most private sector employers, have helped build the experience base, stimulate the setting of procedural standards, and (perhaps) promote greater tacit acceptance of drug testing within the corporate community and the general population.

Antidrug Initiatives in the Federal Government

The high profile of substance abuse issues during the Reagan years, and continuing with the Bush Administration, has undoubtedly contributed to the growth in corporate interest in drug testing programs. Rising public alarm about the apparently abundant drug supplies and their availability to younger and younger age groups, the scourge of drug-related crime, and the devastating link between drug use and the spread of AIDS, have also boosted the demand for more drug control measures. This "drug-saturated" environment—to some, arguably exaggerated—has not escaped corporate attention and action. (See page 2 for box on cost of substance abuse.)

Reagan Administration Programs

The "War on Drugs" was launched early in the Reagan era. It focused primarily on reducing the *supply* of illegal drugs—that is, on curbing the drug trade and supporting drug eradication programs in the United States and abroad.[1] Drug education also received attention in administration policy statements, but the lion's share of the federal budget allocations for antidrug activity in the early 1980s went to enforcement programs. In 1984, the Reagan Administration promoted its "Just Say No" campaign, a drug education initiative intended for the workplace, schools, and the general population. Federal dollars for preventive measures continued to be scarce—the private sector was expected to pick up most of the tab for recommended educational programs.

Despite the high visibility of the Reagan Administration's war on drugs and its "Just Say No" campaign, drug problems continued to escalate. Crack—a cheaper, more potent, and smokable form of cocaine—made its appearance in the early 1980s and spread rapidly to many parts of the country. Two studies, issued in 1985, one by the President's Commission on Organized Crime, the other by the National Institute on Drug Abuse (U.S. Department of Health and Human Services), confirmed widespread and growing use of illegal drugs in the population.[2]

Government programs during Reagan's second term began to deal more forcefully with the demand side of the drug equation. On September 15, 1986, President Reagan signed Executive Order No. 12564 requiring random drug testing of selected personnel in federal agencies.[3] Mandatory scientific and technical guidelines, detailing procedures to be followed in federal drug testing programs, were issued by the

[1] See Helen Axel, "Drugs of Abuse: Public Attitudes, Politics and Business," in *Corporate Strategies for Controlling Substance Abuse* (The Conference Board, Report No. 883, 1986), pp. 3-10.

[2] As reported in Irving R. Kaufman, "The Battle Over Drug Testing," *The New York Times Magazine*, October 19, 1986, p. 54. The article also notes a study by the Research Triangle Institute in North Carolina, putting the cost of drug abuse to the U.S. economy at $60 in 1983. For information on this study, see Axel, op. cit., p. 13.

[3] Implementation of this order was defined in section 503 of Pub.L. 100-71, the Supplemental Appropriations Act for fiscal year 1987, dated July 11, 1987.

The Cost of Substance Abuse

While all experts agree that substance abuse carries a high price in society at large and in the workplace, no truly accurate figures exist. A study by the Research Triangle Institute in North Carolina, estimating the cost of alcohol and other drug abuse to society in 1980 to be $136.4 billion, attempted to account for "costs associated with treatment, research and prevention programs; treatment of related health problems; crime; motor vehicle accidents; and reduced productivity and lost employment."[1] Other researchers have noted that the costs to business have wide-ranging ramifications—including not only lost time and lower productivity, but also turnover costs, waste, accidents, theft, fraud, and such intangibles as the impact on employee morale and the company's public image.

Current estimates of the financial drain that workplace substance abuse places on employers have been put as high as $100 or $120 billion a year.[2] A survey in 1988 by benefits consultants, William M. Mercer Meidinger Hansen, reports that 14 percent of the human resources executives polled thought that substance abuse costs came to at least 6 percent of the payroll in their companies, and 3 percent of this group said these costs exceeded 10 percent.[3]

Although it is virtually impossible to calculate the costs, companies are beginning to tackle their more visible outlays. (See also box on page 33, examining employer evaluations of drug testing and other drug control measures.) For example, many firms are placing strict controls—or spending caps in the form of lifetime limits—on drug-treatment benefits, and favoring outpatient care (at approximately $1,500 a month) over the much higher priced inpatient treatment, estimated at $5,000 to $20,000 a month or more. Firms that have seen their health benefits for substance abuse disorders triple or quadruple in recent years report they have no recourse but to impose these constraints.[4]

But treatment specialists worry that only false savings will be achieved in the long run if patients are released too early from rehabilitation programs. According to some studies, one in five patients being treated for psychiatric illness or substance abuse is readmitted within 12 months because of a relapse. In addition, follow-up care, typically essential in these treatment programs, may no longer be affordable, and thus, not available to the individual.[5] Such limitations on access may prove to be shortsighted in view of the fact that chemically dependent individuals have been shown to be high-cost consumers of a wide range of health care services.

[1] As reported in Helen Axel, "Drugs of Abuse: Public Attitudes, Politics and Business," in *Corporate Strategies for Controlling Substance Abuse* (The Conference Board, Report No. 883, 1986), pp 12-13. According to a recent article, a new study is now under way. See Stephen Labaton, "The Cost of Drug Abuse: $60 Billion a Year," *The New York Times*, December 5, 1989.

[2] Estimated by Robert L. DuPont, former Director of the National Institute on Drug Abuse, in Milt Freudenheim, "Workers' Substance Abuse is Increasing, Survey Says," *The New York Times*, December 12, 1988. See also estimate by John C. Lawn, Administrator of the Drug Enforcement Administration in "Chief Federal Drug Enforcer Says Substance Abuse Costs U.S. Companies Billions," *Daily Labor Report*, (The Bureau of National Affairs) No. 33 (February 19, 1988), pp. A-8 and A-9.

[3] *Substance Abuse in the Workforce*. A survey of employers conducted for Marsh & McClennan Companies, Inc. (New York: William M. Mercer Meidinger Hansen, Incorporated, 1988).

[4] Joseph Pereira, "Firms Cut Drug-treatment Benefits," *The Wall Street Journal*, September 5, 1989.

[5] See Joan M. Pearson, "Controlling Treatment Costs of Substance Abuse and Psychiatric Problems," *Personnel*, October 1989, pp. 12, 15-17.

National Institute on Drug Abuse in April 1988. With few exceptions, however, implementation of federal agency programs has progressed slowly since that time, and many plans have been stalled or struck down by court action.[4]

More federal funds were also made available for drug programs nationwide, and more publicity and legislation followed the President's Executive Order. In October 1986, the President signed into law a comprehensive antidrug bill that provided $1.7 billion in federal support for enforcement, treatment, and education programs. In early 1988, a White House Conference on a Drug-Free America opened with a message from former First Lady Nancy Reagan that the United States needed to tackle the problem of drug demand, not just drug supplies, and the final report of that conference, issued several months later, stressed "zero tolerance" for illegal drug use.

The final major action by the Reagan Administration regarding illegal drugs was taken in November 1988, when the Drug-Free Workplace Act of 1988 was signed into law. Its provisions, requiring federal contractors and grantees to develop policies and procedures for maintaining drug-free workplaces, became effective three months later on March 18, 1989. Drug testing was not specified as a requirement in these mandated policies. (See box, p. 3.)

In October 1988, contract rules from the Defense Department, and regulations issued in November 1988 by the Department of Transportation, extended drug testing mandates into the private sector. Defense Department contractors are required to test employees in sensitive positions, and may also test in instances of "reasonable suspicion." Employers regulated by the Department of Transportation—notably, the air transport, motor carrier, railroad, maritime, mass transit, and pipeline industries—were required to develop mandatory random drug testing programs for em-

[4] Although U.S. Supreme Court rulings in the spring of 1989 upheld drug testing of U.S. Customs Service employees and railway workers, some other agency programs to date have been less successful. Testing programs proposed for the Departments of Education and the Interior, the Immigration and Naturalization Service, and the White House, among others, for example, have either been blocked by the courts or are still in litigation.

Excerpts From the Drug-Free Workplace Act of 1988

The Drug-Free Workplace Act of 1988 sets forth certain requirements for federal contractors and grantees. Portions of the text of the law (41 USC 701), describing workplace conditions required of federal contractors, are cited below. Failure to abide by these conditions can result in suspension of contracts and ineligibility for future contracts for up to five years. Similar mandates and penalties, not included here, are outlined for federal grant recipients.

SEC. 5151. SHORT TITLE.

This subtitle may be cited as the "Drug-Free Workplace Act of 1988".

SEC. 5152. DRUG-FREE WORKPLACE REQUIREMENTS FOR FEDERAL CONTRACTORS.

(a) DRUG-FREE WORKPLACE REQUIREMENT.—

(1) REQUIREMENT FOR PERSONS OTHER THAN INDIVIDUALS.—No person, other than an individual, shall be considered a responsible source, under the meaning of such term as defined in section 4(8) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(8)), for the purposes of being awarded a contract for the procurement of any property or services of a value of $25,000 or more from any Federal agency unless such person has certified to the contracting agency that it will provide a drug-free workplace by—

(A) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(B) establishing a drug-free awareness program to inform employees about—

(i) the dangers of drug abuse in the workplace;

(ii) the person's policy of maintaining a drug-free workplace;

(iii) any available drug counseling, rehabilitation, and employee assistance programs; and

(iv) the penalties that may be imposed upon employees for drug abuse violations;

(C) making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by subparagraph (A);

(D) notifying the employee in the statement required by subparagraph (A), that as a condition of employment on such contract, the employee will—

(i) abide by the terms of the statement; and

(ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;

(E) notifying the contracting agency within 10 days after receiving notice under subparagraph (D)(ii) from an employee or otherwise receiving actual notice of such conviction;

(F) imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by section 5154; and

(G) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (A), (B), (C), (D), (E), and (F).

ployees in safety- or security-related jobs. A final rule issued by the Department of Transportation on December 1, 1989, provides clarification of the testing procedures. (See also box on random testing, p. 22.)

The Bush Administration

Government-sponsored initiatives have continued in the Bush Administration, although funds for its "get-tough" policies have been sparse. William J. Bennett, the "drug czar" appointed by President Bush, delivered his recommendations in August 1989. In his report, Mr. Bennett stressed the need for better organization of the drug effort, greater accountability (in reference to drug-producing countries, drug pushers, drug users, and those in the business of treating addicts), and top-priority billing for drug efforts in the many federal agencies and departments involved. The Bennett report is particularly emphatic in recommending that drug supply *and* demand be addressed simultaneously.

Although the President proposed spending an additional $2 billion on drug programs in the fiscal year beginning October 1, 1989, Mr. Bush also made it clear in his speech to the nation in September that the renewed war on drugs would depend heavily on the resources and initiatives of state and local governments, as well as support from private citizens. In November 1989, Congress ended its 1989 session by approving $8.8 billion to finance administration drug programs—$900 million more than requested by President Bush. The President's proposed budget for antidrug programs in the fiscal year beginning October 1, 1990 is $10.6 billion.

Skeptics have complained, not surprisingly, that funds allocated for drug programs are too small to be effective. Some also argue that attempts to tackle all aspects of drug supply and demand, at all levels, will be prohibitively expensive—and ultimately ineffective. Administration officials and others, in fact, concede that no dramatic successes should be anticipated for many years. The strategy is also faulted by critics for its lack of specific goals. Rather than gauging the success of the program by relying on broad national usage patterns, such as those measured by government surveys of households or high school students (see next page), critics say, efforts should target frequent drug users and attack the most serious problems—drug-addicted babies, transmission of AIDS through intravenous drug use, drug-induced crimes, and young dealers.

Based on the continuing debates on how to "solve" the drug problem, it seems that many people who give lip service to "a long, tough war" are still unwilling to accept that reality. Others say that drug abuse can never be wiped out because people will continue to want to use drugs and be willing to pay for them. It is evident that establishing a consensus on national priorities and supporting them through concerted action, and the allocation of federal, state, and local funds, is still a long way off.

Changing Public Attitudes

While relatively relaxed views toward drug use persist and proponents of drug legalization continue to press their case, public opinion surveys reveal a growing intolerance of drug taking. Such inquiries of the general public also show that many people favor educational initiatives directed at young people, and massive efforts to reduce drug supplies.[3] Highlights from these surveys include:

[3] See Helen Axel, *op. cit.*

• *The general population.* Among the recent polls taken, both *The Wall Street Journal*/NBC News and *The New York Times*/CBS News surveys, conducted in September 1989, reaffirm widespread public concern about drugs and drug use.[6] The first of these, taken among registered voters, found that three-fourths of the respondents had a close personal involvement with drugs—through a family member or friend; seven out of ten thought that at least half the crimes in their neighborhoods were drug-related. A high proportion of those surveyed also knew of drugs in the local schools or a fellow worker who had used drugs.

The New York Times/CBS survey revealed that almost half of the respondents knew someone seriously affected by drugs. Smaller, but significant, percentages said they had tried illegal drugs, knew where they were sold, and had witnessed drug sales. This poll also found that 69 percent of the adults generally favored the Bush Administration proposals, and 61 percent thought that workers should undergo drug testing.

Other public opinion polls conducted in 1988—including ones from The Conference Board/National Family Opinion, the Gallup Organization, and CBS News/*New York Times*—report drug abuse to be one of the most serious social issues facing the United States.[7] In fact, in the absence of a major domestic or foreign policy crisis, the drug problem emerged as a central issue in the 1988 presidential election campaign.[8]

• *Households.* The 1988 National Household Survey on Drug Abuse, the ninth in a series that began in 1971, reported a 37 percent decline since 1985 in the number of people reporting "current use" (i.e., within the past month) of marijuana, cocaine, and other illegal drugs.[9] The 1988 statistics continue a downward trend recorded in household drug use since the early 1980s. Government officials attribute the drop to a change in attitude toward drugs and drug taking.

But the good news was tempered by the finding that frequent users of cocaine, including crack, had increased significantly in recent years. The number of weekly users was up by about a third, and daily users by almost a fifth, over 1985 counts. In addition, the survey has limitations in scope. The drugs studied do not include heroin, and the survey population excludes institutional residents (hospitals, prisons, etc.), military personnel living on base, and the homeless.

• *High school students.* The recent downturn in drug use among high school seniors is another measure of the overall decline in prevalence. Cocaine, including crack, now appears to be losing appeal among high school students. While the use of other drugs by young people had plateaued or begun to drop during the past few years, cocaine and its derivatives had retained their appeal. The 1988 survey, the 14th in a series of studies polling over 16,000 high school students nationwide, recorded the first drop in this pattern of use. Researchers at the National Institute on Drug Abuse attribute this decline to increased awareness and understanding within the high school population of the drug's addictive qualities and dangerous side effects.[10]

• *The workplace.* Attitudes in the workplace toward substance abuse have also apparently sharpened—and become less tolerant. Surveys show that dealing with drug problems is now a common supervisory responsibility, and that managers rate it as a top issue facing their companies. Employee counseling and assistance remain the preferred strategy for most employers when dealing with drug problems, but the costs, legal liability and extensive publicity surrounding major accidents identifed with substance abuse—such as the recent disastrous Alaskan oil spill—may inspire a change in some company procedures.

Results from a survey of chief executive officers during the spring of 1989 show that nearly 40 percent of the companies studied have had problems with illegal drugs in their work forces; 55 percent said alcohol problems were present.[11] A clear majority (56 percent) of the executives surveyed thought employers should be able to test workers for drug use, while two-fifths believed testing should take place only among employees in safety-sensitive jobs. Four percent disapproved of drug testing.

According to a 1988 poll by the American Productivity and Quality Center, more than four out of five managers believe drug testing of job applicants ought to be legal, and a majority (53 percent) think random testing of workers should be permitted.[12] A survey of readers by *Industry Week* (IW) in late 1987 uncovered similar attitudes. IW readers, primarily manufacturing managers and professionals, go be-

[6] Michel McQueen and David Shribman, "Battle Against Drugs is Chief Issue Facing Nation, Americans Say," *The Wall Street Journal*, September 22, 1989; and Richard L. Berke, "Poll Finds Many in U.S. Back Bush Strategy on Drugs," *The New York Times*, September 12, 1989.

[7] "The Issues of Public Concern," *Special Consumer Survey Report* (The Conference Board, August 1988); and "Opinion Roundup: Most Important Problems," *Public Opinion*, July/August 1988, pp. 34-35.

[8] E.J. Dionne Jr., "Drugs as 1988 Issue: Filling a Vacuum," *The New York Times*, May 24, 1988.

[9] "Casual Drug Use is Sharply Down," *The New York Times*, August 1, 1989, based on HHS News Release dated July 31, 1989; and statements July 31, 1989, by Louis W. Sullivan, M.D., Secretary of Health and Human Services; William J. Bennett, Director, Office of National Drug Control Policy; and Charles R. Shuster, Ph.D., Director, National Institute on Drug Abuse.

[10] Richard L. Berke, "Student Survey Detects Decline in Use of Crack," *The New York Times*, March 1, 1989. Another pair of surveys, conducted a year apart among 7,000 people in shopping malls and on college campuses by the Media- Advertising Partnership for a Drug Free America, suggests that antidrug advertising may be effective in convincing people to develop negative attitudes toward drug use. See Peter Kerr, "Attitudes Reported to be Shifting Against Drug Use," *The New York Times*, July 13, 1988.

[11] "National Survey of Chief Executives Shows Most Companies Have Abuse Programs," *Daily Labor Report* (The Bureau of National Affairs) No. 162 (August 23, 1989), pp. A-2 and A-3. The survey was conducted among American members of The Executive Committee, a San Diego-based international organization of business leaders.

[12] "The Drug-Free Workplace: Attitudes and Action," *Bulletin to Management* (The Bureau of National Affairs), November 10, 1988, p. 353.

yond endorsing drug testing, however. Nearly nine out of ten reported they were willing to be tested if requested to do so—and seven in ten did not see drug testing as an invasion of privacy.[13]

Over 97 percent of the employees participating in a survey conducted in November 1989 by the Gallup Organization favor some form of drug testing at the workplace. According to the views expressed, safety is the primary justification for testing. A minority of the respondents (17 percent) were union members.[14]

For its part, organized labor has long supported certain measures to control workplace substance abuse as a means of protecting worker safety and health. Unions strongly favor the rehabilitation programs, which are the cornerstone of the employee assistance movement. But they are far less sympathetic about drug testing, although recent indications show that such tests have gained limited acceptance by some labor unions under certain clearly defined conditions.

Growth in Corporate Drug Testing Programs

During late 1970s and early 1980s, companies with some experience in dealing with substance abuse issues began to refocus their programs to address new problems associated with illegal drugs. For most, the process required reviewing and revising drug policies. Many firms sought to provide employee assistance programs—or expand existing ones in order to be able to treat illegal drug abusers as well as employees with alcohol problems.

Companies were also reviewing other measures that would strengthen their efforts to control drug abuse. Prior to 1984, very few major corporations were engaged in drug testing. According to one survey, only about 3 percent of the companies polled were testing either job applicants or employees for drug use during that period.[15] Subsequent surveys record a rapid expansion in the number of corporate drug testing programs. The proportion of companies engaged in drug testing stood at less than 20 percent in 1985, but rose to a third or more in 1987, depending on the characteristics of the firms sampled. In 1988, by most counts—including results from The Conference Board's survey—about half of all major corporations were conducting some type of drug testing program, either for job applicants only or for applicants and certain categories of employees. (See box for comparative findings and sources of data, p. 6.)

Survey results from these varied sources confirm that drug testing is principally a large-company phenomenon. They are also in agreement that pre-employment testing is by far the most common form of drug testing in the workplace today, although employee testing under certain triggering conditions (such as "reasonable suspicion" or "probable cause") is also prevalent in large corporations.

[13] "Test Workers for Drugs?," *Industry Week*, December 14, 1987, pp. 17-18.

[14] "Survey Shows Workers Support Drug Testing, Fear for Safety on Job," *Daily Labor Report* (The Bureau of National Affairs) No. 239 (December 14, 1989), pp. A-7 and A-8. The survey was conducted for the Institute for a Drug-Free Workplace, a coalition of 14 corporations with drug testing programs.

[15] As reported in "Drug Testing Increases," *Human Resource Management News* (December 1986), p. 2.

Patterns of Growth in Drug Testing Programs

A host of surveys track trends in corporate drug testing. Despite differences in sample size and composition, and in sampling procedures, these figures appear to substantiate a progressive expansion in workplace drug testing. A sampling of survey results follows:

Selected Survey Data on Prevalence of Drug Testing Programs

Survey Sponsor	*Survey Date & (Sample Size)*	*Population Surveyed*	*Findings*
Employment Management Association	Fall 1986 (492)	Member and nonmember companies	29% test applicants 21% test employees
College Placement Council	Nov. 1986 (497)	Employer members of CPC	28% test applicants 14% test employees 20% plan tests in 2 yrs
American Society for Administration	Nov. 1986 (221)	*Resource* readers	25% test applicants[1] 18% test employees[1]
Business and Legal Reports	1987 (1,976)	Subscribers (employers)	23% test applicants[2] 17% test employees[2]
Executive Knowledgeworks	Fall 1987 (718)	Public & private employers	29% with any testing 4% w/random testing
American Management Association	Nov. 1987 (995)	HR managers in member companies and *Personnel* Subscribers	36% with any testing[3] 24% test all new hires[3]
American Management Association	Dec. 1988 (1,005)	HR managers in member companies and *Personnel* Subscribers	48% with any testing 31% test all new hires
BNA-PPF[4]	1988 (245)	Public & private employers	26% test applicants
Gallup/Hoffman-LaRoche	1988	Companies with 5,000+ employees	28% with any testing
U.S. Bureau of Labor Statistics	1988 (7,500)	Private nonfarm establishments	35% with any testing[5]

[1] Prior year survey showed 17% testing applicants, 12% employees.
[2] Data based on employers with 500 or more employees only, 28 percent of the respondent population.
[3] Prior year results: 1,090 respondents with 21% any testing and 20% applicant testing.
[4] The Bureau of National Affairs, Personnel Policies Forum.
[5] "Establishments" are worksites, and not always the same as "companies." Figures shown report percentages for establishments with 500 or more employees.

Sources: For results of surveys conducted by *Business & Legal Reports*, College Placement Council and the Employment Management Association, see United States General Accounting Office, *Employee Drug Testing: Information on Private Sector Programs*. GAO/GGD-88-32. (Washington, DC: United States General Accounting Office, March 1988). Information on the survey conducted by the American Society for Personnel Administration appeared in "Workplace Drug Testing Up; Further Increases Are Likely," *Resource*, February 1987. Data from the American Management Association can be found in Eric Rolfe Greenberg, "Workplace Testing: Results of a New AMA Survey," *Personnel* (April 1988), pp.36-44, and Eric Rolfe Greenberg, "Workplace Testing: Who's Testing Whom?" *Personnel* (May 1989), pp. 39-45; from The Bureau of National Affairs, Personnel Policies Forum, see "Employment Recruitment Sources Vary Widely, Most Use Pre-job Tests, BNA Survey Reports," *Daily Labor Report* (The Bureau of National Affairs) No. 102 (May 26, 1988), p. A-4; and from the Gallup Organization, see "Survey Tracks Drug Testing," *Management World* (September/October 1988), p. 29. See also U.S. Bureau of Labor Statistics, *Survey of Employer Anti-drug Programs*, Report 760 (January 1989).

Chapter 2

Employer Responses to Workplace Drug Abuse

Over the last decade, growing interest in the business community has directed management attention and company resources to the problems of substance abuse in the workplace. According to The Conference Board's survey, a majority of the nation's largest corporations have implemented policies and programs—such as drug education and awareness, employee assistance and counseling, and special security measures—to deal with the presence and use of alcohol and other drugs among their employees. Drug testing, a procedure employed by almost half of the companies surveyed, is a recent addition to these workplace interventions.

Profile of Companies That Test for Drug Use

Results from The Conference Board's survey show that 334 (49 percent) of the nation's largest corporations are testing for drug use as part of the pre-employment process or among groups of current employees (Chart 1). Another 6 percent (40 companies) reported that they were in the process of implementing a testing program at the time they were surveyed.

Type of industry appears to be a significant indicator of drug testing. According to the survey findings, these programs are most prevalent among firms in the manufacturing, construction, mining, public utilities and transportation sectors; the incidence of testing is lowest among the financial services companies. In aggregate, manufacturers and utilities constitute 75 percent of the drug testing companies in this survey, while banks, insurance companies, and other financial services account for nearly half of the nontesting firms.

As might be expected from the industry composition, companies that test for drugs tend to have male-intensive work forces, a high proportion of workers in skilled craft and production jobs, and a strong union presence.[1] Firms without testing programs—largely in the service sector—employ more female employees, more office workers, and are relatively free from unionization.

[1]While unions generally oppose the practice, drug testing tends to be more prevalent in firms with organized work forces because these companies typically have longer experience with workplace substance abuse programs.

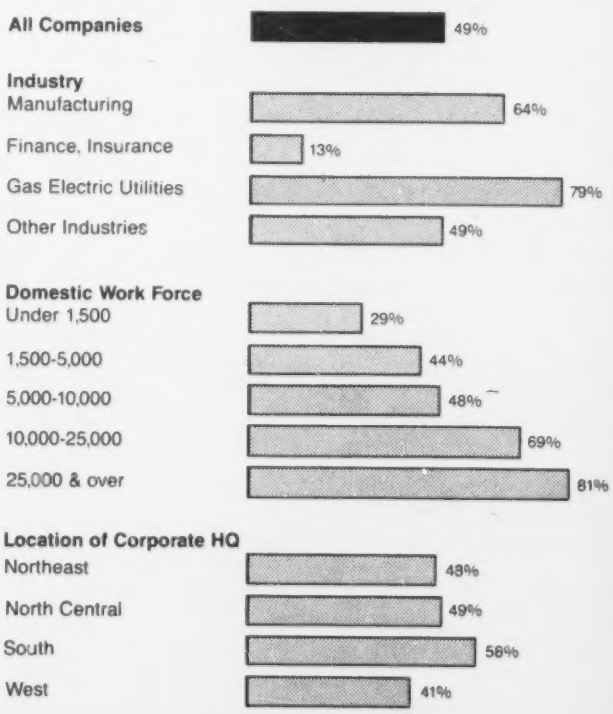
Size of firm is also important. Companies with 10,000 or more employees are more than two and one-half times as likely to test employees and/or applicants for drug use as those with fewer than 1,500 employed (Chart 1). Put another way, the survey shows that nearly six out of ten companies with drug testing programs have at least 5,000 employees, but over half of the nontesting companies employ less than 1,500 workers.

To a certain extent, differences in size can be attributed to the industry groupings, and the fact that companies included in the Board's sample are defined as "large" in terms

Chart 1

The Incidence of Drug Testing

Percent of firms in category with drug testing programs



of sales, assets or deposits, rather than number of employees. (See *Survey Method and Profile of Respondents*, page ix, for a description of the survey sample and respondents.) About half of the companies with work forces in the under-1,500 range are banks, insurance companies, and other financial institutions—an industry sector in which only 13 percent of the companies test for drugs. On the other hand, 54 percent of the firms with 25,000 or more employees are in the manufacturing sector where 64 percent of the firms have drug testing programs.

Even without industry variations, however, employment size alone appears to be an important determinant of drug testing. For example, the incidence of drug testing within manufacturing and the gas and electric utilities, where the practice is widespread, is lowest in the companies with very few employees, and increases as the size of the work force grows larger. In general, larger corporations seem more likely to develop formal policies and programs to deal with workplace conditions, while smaller firms frequently rely on ad hoc arrangements and other individualized approaches.

Regional patterns in the extent of drug testing can also be partially explained by industry and size differences among the survey participants. But even when these characteristics are taken into account, some variation remains apparent. For example, close to 60 percent of the surveyed corporations headquartered in the South Atlantic states have programs to test for drug use (Chart 1). Firms with drug testing programs account for only half that percentage in the New England states. Such low-incidence areas, which also include the West Coast, are states in which laws protecting employee rights are particularly strong.

Regional penetration and acceptance of drug testing, however, remain difficult to analyze from these survey results. The incidence of these programs is assigned to the corporate address and does not reflect the geographic dispersion of a firm's work force—or the locations in which testing is being done. Still, some validity may be attached to the figures since work policies constructed by headquarters personnel are likely to be influenced to some extent by the local employment conditions.

Managers' Perceptions of Drug Problems

It is not surprising to find a logical connection between business executives' views concerning the nature and severity of alcohol and other drug problems and the type of responses developed by their companies. Companies that regard chemical dependency as a serious and complex problem in the workplace typically employ a combination of coordinated measures to control or reduce its impact. But firms less alarmed (or sometimes less informed) about the extent of substance abuse among their employees or in the community seem to have less formalized and often more narrowly defined responses. As results from this survey demonstrate, companies with active drug testing programs are more likely to fall into the first category, while companies not engaged in drug testing can more frequently be found in the second group. (See box above on interpreting the survey results.)

Interpreting the Data

The focus of this study—drug testing—examines corporate attitudes, actions and experiences. A number of comparisons have been drawn in this chapter between firms that test for drug use and those that do not. It should be noted that such an analysis may occasionally oversimplify or unduly highlight survey findings. In some cases, for example, comparisons may exaggerate differences between the drug testing and nontesting firms—differences that can be partially explained by other factors, such as company size, industry type, work force composition, and geographic location.

These comparisons may also assign more importance to drug testing programs than is warranted, or suggest cause-and-effect relationships that are not present. Drug testing is a recent experience for most employers, so that earlier initiatives to combat substance abuse problems, such as employee assistance programs, may have been equally, or even more, influential in conditioning company responses to workplace substance abuse.

Finally, "drug testing" is an umbrella term describing not just one program model, but several, involving both job applicants and employees. Different forms of drug testing may be present in companies for different reasons. Thus, their impact on the organization, as well as employees' responses to them, may also differ.

Alcohol vs. Illegal Drugs

Almost half of the respondents in the Board's survey believe that both alcohol and illegal drugs contribute to their firms' substance abuse problems, but a significant 42 percent, mostly smaller companies, regard alcohol as the primary source of concern in the workplace. Firms engaged in drug testing are twice as likely as their nontesting counterparts to characterize their substance abuse problems as alcohol-*and* drug-related, while most nontesting companies remain focused on problems related to alcohol abuse and addiction (Chart 2). This difference in perception holds true in every industry category. Very few companies in either group, however, maintain that illegal drugs are the dominant source of chemical dependency problems in their work forces.

Because alcohol is a legal drug, and one that is readily accessible to all segments of the population (despite minimum age requirements on purchases and consumption), most company executives questioned in this study agree that alcohol abuse remains—as it has in the decades prior to recent proliferation of illegal drugs—the most *pervasive* substance abuse problem in the workplace and elsewhere. However, a near majority of the corporations also recognize that the recent growth in availability and use of illegal drugs now

Chart 2

Perceptions of Substance Abuse Problems

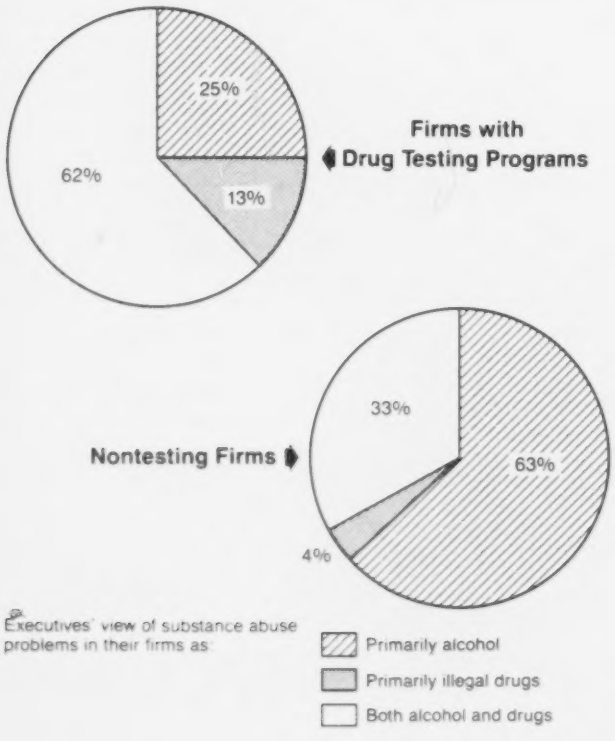
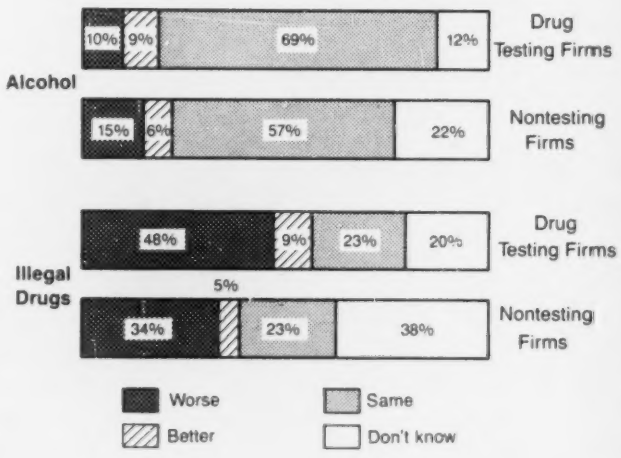


Chart 3

Recent Trends in Firms' Substance Abuse Problems

Current situation compared with 5 years ago



penetrating their worksites poses new and troublesome issues for employers. This broadened focus of concern distinguishes the second group from employers with more traditional views who dispute evidence of recent trends, and as a result, see little reason to adopt additional or different measures, such as drug testing, to control substance abuse.

Shifting Patterns in Drugs Used

On average, companies tend to assess alcohol abuse as a problem that has remained fairly constant over the last five years—more than three-fifths of the firms detect no noticeable change in pattern. Just 12 percent of the respondents regard alcohol as a growing problem in the workplace, while the remaining firms report a declining pattern of use (8 percent), or have no opinion about trends in alcohol use (17 percent). Concern about worsening trends in alcohol consumption and abuse is somewhat more evident in the nontesting group of firms (Chart 3), but no clear-cut industry patterns can be discerned.

By contrast, more than two-fifths of the respondents maintain that employee use of illegal drugs is more pronounced today than in the recent past. Not surprisingly, the proportion of companies making this assessment is higher among firms that have implemented drug testing programs (Chart 3).

Ignorance of trends in workplace substance abuse is nearly twice as prevalent in companies that do not engage in drug testing, and survey respondents are particularly uncertain about growth in illegal drug use. Some employers suspect greater drug use now but have no hard evidence to support their belief. Others have only recently recognized the problem and have begun to assess its current impact, but are unable to reflect on past usage. One company official commented that the fact that cocaine and its derivatives have only recently become widely available distinguishes the present from the past.

Despite these problems, many report that cocaine has become *the* growth drug in the workplace, and that marijuana remains very much in evidence. According to survey respondents, marijuana is still perceived by many employees, particularly the younger ones, as an "acceptable" and harmless drug, even though more potent strains of this drug are now on the market. They also underscore that the appearance of crack (a cheaper, more potent form of cocaine) and, more recently, "ice" (a new, smokable form of crystallized methamphetamine, considered an alternative to crack), now makes such stimulants accessible to lower income groups, and thus has penetrated all levels of employees. While marijuana and cocaine are the drugs most consistently mentioned by the firms surveyed, a few employers also cite problems with heroin, PCP, LSD, amphetamines, and prescription drugs. At least a dozen companies draw specific attention to poly-drug use (often manifest as alcohol in combination with other drugs) as a source of growing concern.

Taking the Larger View

"If there were just a few drug addicts in the labor market, a company might take the position: 'Let's be sure not to hire a drug abuser and, if by chance, we do have one or two working for us, let's just get rid of them. We would have then met our responsibility to the corporation, shareholders, and employees. Let someone else look after them.'

"The problem is obviously much larger than that. And the majority of major corporations in America see it as their responsibility to take a larger role, not only in ridding the workplace of drug abuse, but in rehabilitating those drug abusers already in their employ—thereby helping to solve what has become a problem for society at large."

Remarks at a Conference Board seminar
on drug testing by Robert P. Cunningham, M.D.
Corporate Medical Director, BellSouth Corporation

"I buy the argument that it's not fair to test some groups. But I also buy the argument that drug problems in society have reached such proportions that, as an employer, I have an obligation to my company and my fellow employees to assure a safe workplace, and as a member of society, an obligation to do everything I can in my community and in my children's school to combat this problem."

From an interview with Robert W. Taggart
Vice President-Public Affairs
Southern Pacific Transportation Company

The "Democratization" of Drug Use

Differences of opinion about the types of substances abused seem more apparent among corporations in the survey than differences in views expressed about who is vulnerable and where drugs can be found. At least 75 percent of the employers in the survey agree that substance abuse is not restricted to particular employee groups. A minority of company officials subscribe to more traditional views about chemical dependency problems—that they are confined to the blue-collar work force; a problem drinker or cocaine abuser in management ranks is only occasionally acknowledged. Such opinions seem to prevail in smaller companies, where managers are probably witnessing drug problems on a case-by-case basis.

Company officials also generally concur that while no location is immune from alcohol and other drug problems, some sites seem more susceptible to such problems than others. Executives in companies with operations throughout the country observe, for example, that coastal cities are particularly vulnerable to illegal drugs. Others find that isolation of the worksite, along with boredom or stress on the job, leads to alcohol and drug abuse.

On balance, however, employers who may have held more conventional opinions about alcohol and illegal drugs in the past, as well as others who have been watching national trends, are now conceding that substance abuse, particularly the use of illegal drugs, has spread beyond these perceived boundaries into executive offices and to smaller communities and rural locations. Generous supplies of drugs, lower prices, and efficient distribution networks, they observe, are helping to transform illegal drug use, like alcohol, into a pursuit that is both "classless" and geographically neutral.

A Divergence of Views

When commenting on specific aspects of recent trends, survey participants typically stress *more*—and this concept is used to refer to both negative and positive developments:

- One group of companies—typically firms with drug testing programs—sees a greater abundance of drugs, more widespread usage, and more difficult cases—or, as some survey responses specify: "more abuse-related disciplinary problems"; "more open usage of drugs"; "more surreptitious use of alcohol"; "recovery is down though referrals have doubled."
- Other firms report improvements, thus supporting either their decisions to test for drugs, or their reasons for not taking action: "employees are more willing to seek help"; "more knowledge about use and/or treatment"; and "more company involvement in treatment."
- Still others, also in both groups of companies, assess the current situation as one of heightened awareness: "the only apparent changes are in publicity and awareness"; or "management is more aware of substance abuse incidents." Better information and a more sensitive management, these employers conclude, may be the real trend, not a rise in actual usage.

Nonetheless, while far from complacent about the current situation, firms engaged in drug testing tend to be optimistic about the success of their drug control efforts. On

the other hand, the prevalent view among companies without testing programs seems to be that substance abuse does not evoke great concern: "We do not see drug abuse as a serious problem"; "we have only had one alcohol abuser in the past five years"; "we don't have the specifics, but substance abuse is not a problem in our employee group" are some of the comments on these surveys.

Company Initiatives to Combat Substance Abuse

The experiences of the companies participating in the Board's inquiry provide clear evidence that multiple initiatives are considered necessary to deal with addictive substances in the workplace. Along with drug testing, typical corporate interventions include employee assistance and counseling programs, drug education and training for employees and supervisors, and, to a lesser extent, security procedures directed at drug possession and drug trafficking on company property. These measures are more likely to exist in combination with each other, particularly in firms with drug testing programs, than as stand-alone "solutions." The Drug-Free Workplace Act of 1988 affecting federal contractors and grantees, and special rules directed at Defense Department contractors and industries regulated by the Department of Transportation, will no doubt increase attention to coordinated substance abuse control measures among private sector employers. (See Chapter 1.)

Since the survey population consists primarily of companies with large work forces, their responses to workplace problems tend to be organized and formal. Thus, the high incidence of "programs" to deal with workplace drug problems can be explained, in part, by the nature of the survey population. The survey results probably also reflect the high interest level of the corporations in the sample. In other words, companies concerned enough about the drug issue to respond to the survey are also likely to be doing something about it.

Written Substance Abuse Policies

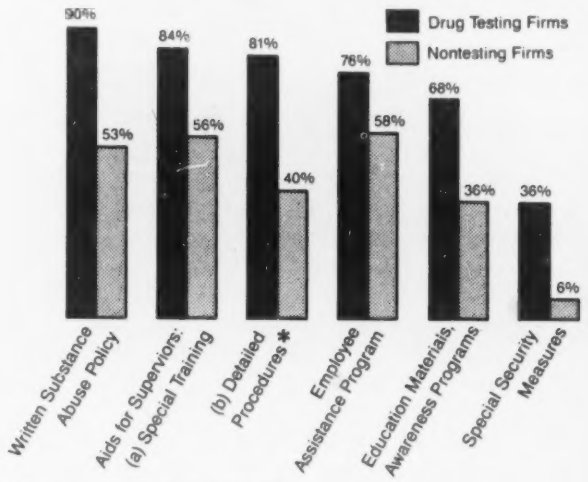
Designing a substance abuse policy is typically the first step for companies seeking to control alcohol and other drugs in the workplace. Once the company position is clearly articulated, specific initiatives, such as employee assistance programs and drug testing, become the means for carrying out corporate goals. Many employers have long had general policy statements about the use of controlled substances at work, but survey results show that companies have rethought and refined their positions with the emergence of illegal drugs and rising interest in drug testing programs. (A supplement to this report, available as a separate volume, contains examples of corporate substance abuse/drug testing policies and procedures.)

Over 70 percent of the corporations in the Board's survey (480 companies) have formal substance abuse policies, and two-thirds of these employers also have drug testing programs. In fact, approximately nine out of ten companies engaged in drug testing, regardless of industry, have issued policies on drug and alcohol use in the workplace (Charts 4 and 5). By contrast, just over half (53 percent) of the nontesting firms have written substance abuse policies.

Chart 4

The Prevalence of Other Substance Abuse Control Measures in Drug Testing and Nontesting Firms

Percent of firms with indicated programs or services

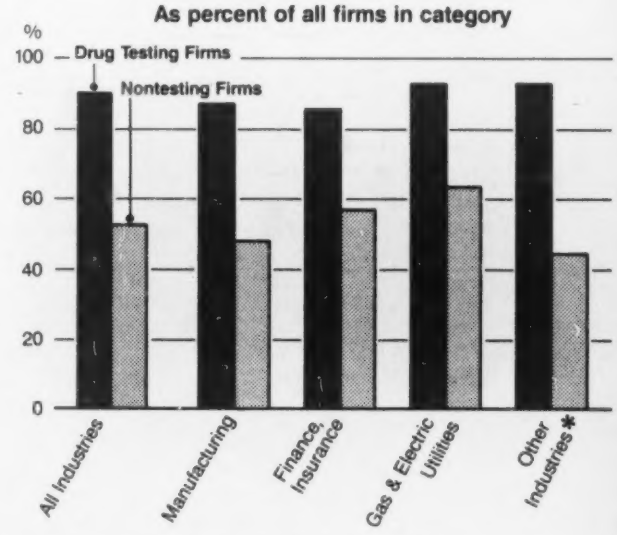


*Companies with substance abuse policies only

Chart 5

Firms with Substance Abuse Policies by Industry Group

As percent of all firms in category



*Mining, construction, whole sale and retail trade, transportation, and other (primarily service) industries.

A third of the policies originated in the 1970s or earlier; most of the oldest ones identified in the survey can be found in manufacturing firms and in utilities. However, over half of these have been updated since they were first issued; many were being reviewed as the company began to investigate drug testing and to incorporate other drug control measures. As a result, about three-fourths of the policies, either newly written or recently revised, date from 1986 or later.

Elements of Policies. Data from the survey reveal that policy revisions are typically undertaken in order to include additional types of addictive substances. Original policies, and older ones in particular, often dealt only with alcohol use and dependency problems, while more recent versions now commonly encompass illegal drugs as well. In addition, they usually cover the use of prescription and over-the-counter medications, since a number of these drugs can affect a person's behavior or mental capabilities. The significant amount of activity in policy writing and revision during the last two or three years also reflects growth in corporate drug testing and employee assistance programs, and the need to define how new procedures contribute to the company's overall substance abuse control strategy.

Although most corporate policies in the study now focus on a wider range of drugs, employers typically confine their span of control to circumstances or behavior during working hours while on company property, or when employees are using company-owned equipment on- or off-premise. Exceptions to the basic model, found in about one-fourth of the companies studied, are policies that cover some elements of employee behavior away from the worksite and/or outside of working hours. Such policies, for example, may restrict or proscribe:

- use of controlled substances at company-sponsored events held in company facilities or elsewhere;
- alcohol consumption during lunch breaks (sometimes including meals in restaurants away from the worksite) or rest periods;
- off-the-job drug use that may be detected in a drug test;
- possession, use, manufacture or sale of illegal drugs anywhere;
- off-the-job behavior that is considered damaging to the company's reputation in the community.

Corporate policies on substance abuse may define conduct of nonemployees as well. In 60 percent of the responding firms, contractors and vendors are expected to maintain the same standards of behavior as employees while on company property. This is a common requirement in the utility industry, where contractors and vendors not only must adhere to conditions in the host corporation's policy, but must have substance abuse policies that are at least as stringent as the one in the contracting firm. Federal contractors are now also required to have substance abuse policies. (See Chapter 1.)

The Development Process. Policy development, review, and communication tend to involve a number of people and units in the organization, particularly when firms are testing for drug use. On average, the Board's survey shows that executives from at least four different functional areas within the corporation assisted in the preparation or modification of substance abuse policies. More participants are typically involved in the drug testing companies.

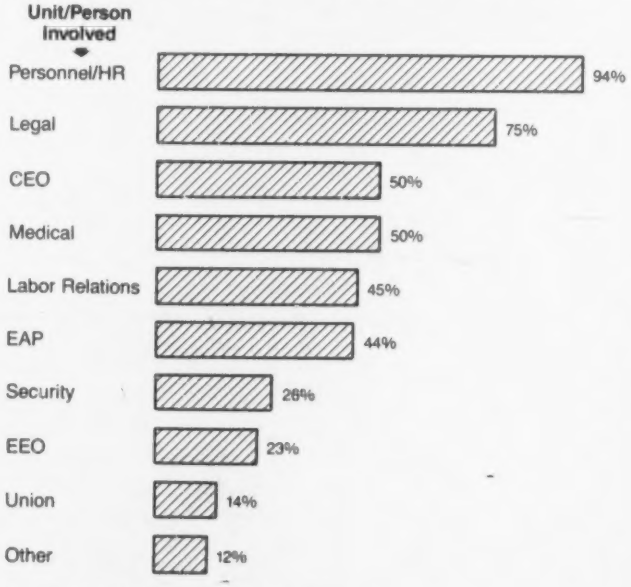
The human resources/personnel department appears to be the most important player and, in most instances, probably spearheads the policy committee deliberations (Chart 6). Legal input is also considered essential in three-fourths of all firms surveyed; these departments are even more likely to be consulted when drug testing is involved. Other contributors—mentioned by close to half of the respondents overall—include the medical department, the employee assistance unit, and the labor relations staff (Chart 6). The CEO, though not necessarily an active member of a working committee, is closely identified with the final document and likely to be its official promulgator.

About one-third of the employers that test for drugs also include security and EEO personnel in their policy task groups. Union participation, on the other hand, remains notably infrequent in firms with testing programs—just 22 percent with unionized work forces (51 companies) have included organized labor in policy formulation proceedings. (While company executives explain the absence of unions by noting that policy development is a management preroga-

Chart 6

Who Develops Substance Abuse Policies?

Percent of all companies with policies (480 firms)



Note: Companies provided multiple answers.

tive, they recommend holding discussions with union officials before implementation.)

Security, EEO and union representation are virtually never present in policy discussions when drug testing is not involved. The absence can be explained because unions have only a minor presence in nontesting firms, discrimination issues are less likely to be involved, and security procedures are rarely connected with drug matters.

A minor number of companies have indicated participation by safety officials, risk managers, quality assurance executives, and benefits specialists. A few others have included representation from employee committees, line executives, divisional heads, senior management committees, and review by the corporate board of directors as additional dimensions of the policy development process. Outside consultants are mentioned as participants by only a handful of companies.

Interpretation and Communication. Since corporate policies are often general statements of position, not detailed procedural documents, close to two-thirds of the surveyed firms with policies (309 companies) have prepared supplementary management procedures to guide supervisors in implementing the company's policy and in avoiding problems with its interpretation or application under specified conditions. A communications company executive observes, for example, that written procedures can ease sensitive situations for supervisors by spelling out the details of appropriate actions and the consequences of noncompliance.

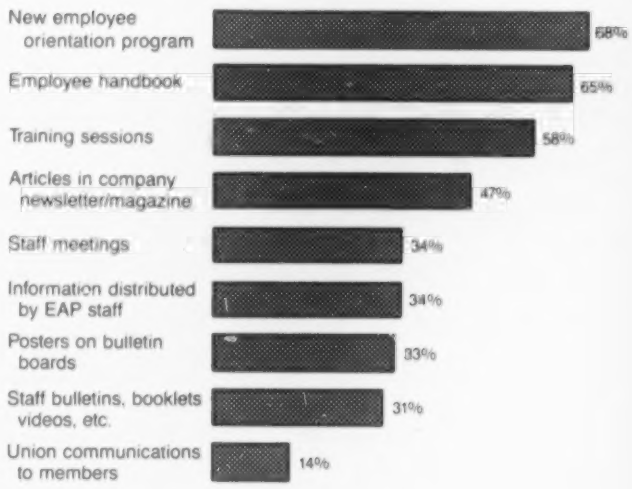
Policy communication is equally critical. Most corporations understand that crafting a thoughtful statement of expectations and admonitions about addictive substances in the workplace is just a first step. Employees must be made aware of and understand this information before they can adhere to any conditions set by management.

While employers recognize the obvious necessity of communicating a new or newly revised policy, they also find that communication is not a one-shot activity. New employees come on board, procedures need to be refined, and interpretations need clarification. People can also forget—or begin to think the company is not serious about its commitment—unless frequent reminders are issued. "This can be a challenge," says the human resources vice president at Commonwealth Edison Company. "It's sometimes hard to come up with a fresh, new angle. You need to keep people's attention, because you don't dare let the issue get back-burnered." Drug issues in this firm are periodically included as topics in safety meetings at various facilities, and invited specialists tailor presentations to local interests.

New employee orientation programs, recruitment packets and employee handbooks are the most popular forms of employee communication and are used by two-thirds of the companies surveyed (Chart 7). While the focus is on initiating new staff to corporate codes of conduct, handbooks can be retained as reference guides. A few companies report that they mail policies or policy updates to employees' homes so that family members are also acquainted with the rules, and some of these include letters from the CEO. Georgia Power's chief executive sends letters about drug issues to employees' homes every few years.

Chart 7

How Substance Abuse Policies are Communicated



Note: Data based on 480 firms with substance abuse policies

Training sessions, which can reinforce and elaborate on written statements, are favored by nearly 60 percent of the firms overall, and by 74 percent of the companies engaged in drug testing (Chart 4). Staff meetings and special safety meetings supplement that effort. According to company officials, particular attention should be paid to instructing managers and supervisors. "The importance of training is sometimes overlooked," claims one executive. "If supervisors are confused or ignorant of what senior management expects, they probably won't do anything." A well-intentioned drug program may prove to be ineffective under these circumstances (see also box on supervisory referrals, Chapter 3, p. 26).

Close to half of the corporate respondents have prepared articles on substance abuse policies for company newsletters or magazines, while a third of the firms use other written forms of communication to highlight aspects of the company's policy. These include posters, staff bulletins, and materials distributed by the corporate health unit or employee assistance program.

Training programs for supervisors and managers are typically conducted by the human resources department or by the employee assistance unit, rather than the training department, which may not be equipped to deal knowledgeably with substance abuse issues and procedures. About a fourth of the survey respondents rely on outside consultants to conduct or provide supplementary assistance to their training programs.

Employee Assistance and Counseling Programs

Apart from developing a formal policy on substance abuse, establishing an employee assistance program (EAP) is the course of action most commonly chosen by the sampled companies to deal with employees' substance abuse problems. Two-thirds of the survey respondents (448 companies) have EAPs providing assessments and referrals, and (sometimes) short-term treatment and counseling services to troubled employees. EAPs are significantly more prevalent in companies that conduct drug testing programs: 76 percent of these firms have such programs, compared with 58 percent in the nontesting group (Chart 4).

The basic philosophy of the employee assistance program is performance-based, to intervene on request from supervisors when employees are faced with problems that interfere with their ability to work, and to serve as a readily accessible resource for counseling and treatment to those who voluntarily seek such help. Early EAPs grew out of occupational alcoholism programs that were prevalent in the manufacturing sector as early as the 1940s. (Some manufacturers, such as Kodak and DuPont, have had more than 40 years of experience in dealing with substance abuse issues.) Beginning in the 1970s, the more narrowly focused EAP concept began to evolve into what is called a "broad brush" approach. These newer programs continue to serve individuals with addictive disorders, but now also offer assistance to persons with family, marital, personal, financial and other problems that interfere with their work responsibilities.

The recent expansion seen in the employee assistance movement has undoubtedly been spurred by the rise in illegal drug use and by rapid growth in the number of national and local providers offering EAP services to business. The majority of the employee assistance programs in this study are of recent origin—53 percent were formed after 1982—and a majority are services provided by an outside contractor.

As a rule, companies with drug testing programs have longer experience with their EAPs and are more likely to offer at least some in-house assessment capability, if not a limited amount of counseling and treatment (Charts 8 and 9). By contrast, less than a fourth of the EAPs in nontesting firms date from the 1970s or before, and well over 60 percent of them are contracted services without in-house staff. A mix

Drug Testing and EAPs: Allies or Adversaries?

Although drug testing and employee assistance programs coexist in most of the large corporations surveyed, some EAP professionals express concern about the rapid growth in drug testing programs, and their potentially damaging effect on the employee assistance philosophy. These critics regard drug testing as a procedure that can easily be misused by management, allowing the company to conduct "witch hunts" to weed out undesirable employees. While they may attribute some value to drug testing under certain very limited circumstances, this group of EAP advocates believes that most drug testing is essentially punitive. They note, for example, that procedures are often heavily influenced by legal considerations (to keep the company out of court), rather than being motivated by a desire to help troubled employees.

EAP administrators who oppose drug testing fear that a company's increased reliance on such a screening process will damage the credibility of the employee assistance program by diluting its historically neutral role. An EAP that becomes a management tool, they say, will no longer be considered "safe," and self-referrals by troubled employees will diminish. Some professionals suggest that drug testing has rekindled the addiction stigmatism that hurt acceptance of early alcoholism programs—before "broad brush" EAP programs, with their expanded focus, began to treat a variety of personal and family problems in addition to substance abuse.[1] Others believe that drug testing has diverted public attention away from dealing with alcohol abuse and alcoholism, which many EAPs still see as their fundamental mission.

Another set of concerns seem to be related to turf issues—i.e., that drug tests will replace the EAP professional's expertise in determining the fate of a substance-abusing employee, and that the emphasis on supervisory training often provided by the EAP will be downplayed. Some executives believe the EAP unit's low-level positioning in the organizational hierarchy puts it at a disadvantage with the more highly visible drug testing program.[2]

Not all EAP administrators share these concerns, however. Those that have found accommodation with drug testing claim that earlier referrals—and thus, earlier treatment—may occur because of these programs, if administered judiciously. Employees who know that positive drug tests can result in disciplinary action or discharge (as at Southern Pacific Transportation, Georgia Power, and Atlantic Richfield) may be motivated to seek help on their own, before they are caught. In firms where mandatory referral to the EAP (or an alternative professional service) is the consequence of a positive test, employees may be obliged to face up to their drug problems sooner by being required to go through counseling and treatment as a condition of continued employment. According to views expressed in an article by two corporate health professionals: "Drug testing is a behavioral check to make certain that people are taking care of themselves. It is an incentive to stay straight and drug free, rather than a punitive measure."[3]

[1] See James T. Wrich, "Beyond Testing: Coping with Drugs at Work," *Harvard Business Review* (January-February 1988), pp. 120-130.

[2] For more discussion on EAPs and drug testing, see The Bureau of National Affairs, *Employee Assistance Programs: Benefits, Problems and Prospects* (Washington, DC: The Bureau of National Affairs, 1987).

[3] James Osborne and Walter Wiechetek, "Use of Drug Testing to Confront Denial," *Compensation and Benefits Management* (Spring 1988), pp. 225-230.

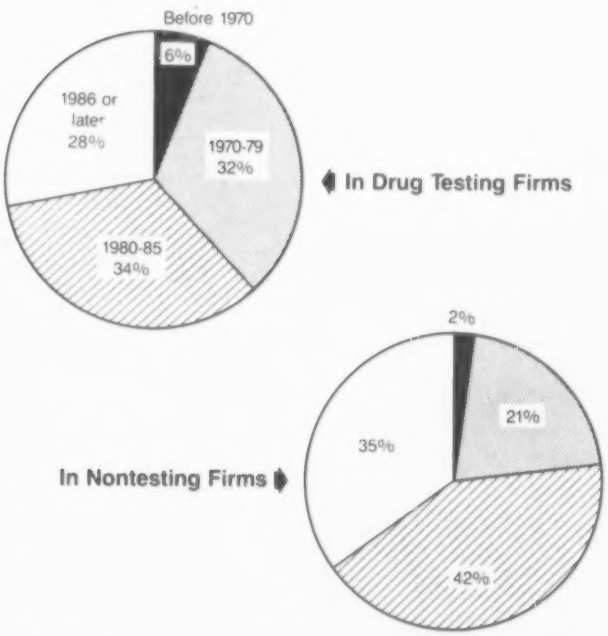
of company-provided and contracted services, depending on location, can be found among a few companies in both groups.

Often, the EAP precedes the start-up of drug testing, and such a sequencing is the recommendation of many firms engaged in drug testing. Corporations including Kaiser Aluminum and Chemical Co., Quaker Oats Company and Champion International Corporation, strongly urge employers not to contemplate a drug testing program without an employee assistance program in place. EAPs must now be present in firms with Defense Department contracts involving employees in "sensitive" positions, where drug testing and supervisory training are additional requirements. Department of Transportation rules also require EAPs in conjunction with drug testing, as do certain state laws.

Just under two-thirds of the survey respondents are able to offer assistance and counseling services to employees in all company locations, while another fourth say these services are only available in major operating units of the firm and/or at corporate headquarters. More than eight out of ten of the EAPs studied extend their services to family members, although some companies admit they do not actively promote dependent use of the employee assistance program's services. On average, about 6 percent of a typical company's employees used the EAP in the year prior to the survey. EAPs in companies with and without drug testing programs are similar in all of these respects.

Chart 8

Age of Employee Assistance Programs



Note: Data based on 448 with EAPs

The two groups of companies differ, however, in the types of problems reported and perceived usage patterns. Alcohol and drug problems are believed to make up a larger share of the EAP workload in companies that engage in drug testing, and the trend in EAP use is seen as expanding. Since drug and non-drug problems are often interrelated, however, it is sometimes difficult to interpret data classifying employee reasons for seeking help.

Drug Education, Awareness and Training Programs

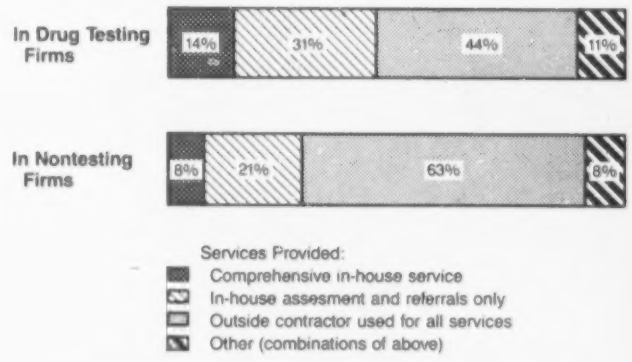
While corporate respondents underscore the need for drug education and training programs and, in fact, often initiate these efforts in connection with a new or revised substance abuse policy, they are not necessarily the authors of the educational materials they distribute. Just over half have developed or sponsored materials on alcohol and other drug use, just under half have not. Within the latter group, companies seem to rely on materials prepared by other organizations, such as government agencies, consultants, service providers, and other community resources. (One executive explains that his firm does not "print a lot of materials"; that company's efforts instead are devoted to an active training program.)

Drug education initiatives are notably more visible among firms with drug testing programs: Such companies are almost twice as likely as their nontesting counterparts to be engaged in developing and distributing educational materials (Chart 4). At least three dozen companies in the survey, virtually all of them with drug testing programs, submitted samples of educational materials distributed, including videotapes, with their completed questionnaires. (Additional enclosures from survey respondents about EAP services also often contain general information about drugs and drug use. And sections incorporated within employee training manuals frequently provide similar information.)

Employees and, less frequently, their dependents, constitute the principal audiences for most company-sponsored

Chart 9

How EAP Services are Provided



Note: Data based on 448 firms with EAPs

brochures and programs on substance abuse. Less than 10 percent of the firms surveyed report that they actively seek to distribute educational materials to school children, to community residents or to the general public. (And, again, these audiences are more likely to be provided with information by companies engaged in drug testing.) Nonetheless, such groups are often beneficiaries of corporate drug education efforts since many companies indicate that brochures, videos, or other information about drugs and drug use are frequently made available to outside organizations upon request. In addition, a handful of firms have participated in joint educational projects with government agencies, trade associations or other organizations.

Special Security Measures

Despite conspicuous media attention to security procedures at the workplace and alarm about a growing "police-state mentality" among employers, only a fifth of all survey respondents (139 companies) acknowledge that special security measures are undertaken to curtail drug possession and trafficking on company property (Chart 4). Most of this takes place in drug testing companies, and has occurred only in very recent years. Even among drug testing firms, however, almost two-thirds of those surveyed shun security procedures if intended exclusively or primarily for drug control purposes. Moreover, in companies where they exist, they are typically in effect at just a few locations.

Most commonly, security measures involve locker and desk searches or package checks when entering and leaving the worksite. Less frequently, employees' vehicles are subject to search, and only 38 companies surveyed, among them several utilities, use dogs to sniff out drugs. Even fewer employers report that they conduct undercover investigations at the worksite, use surveillance equipment to monitor employee movements, or include security investigations as part of the employment process.

When security procedures are permitted by company policy, safeguards are usually present to prevent excessive or unwarranted reliance on them. For example, a majority of the companies that have adopted security measures notify employees in advance that such procedures may be used, and nearly nine out of ten say that individual supervisors cannot act on their own. Management approval is necessary before any action can be taken. Union contracts may also specify conditions that must be met, such as the presence of a union official when drug searches are conducted.

Drug Control Measures in U.S. Work Forces Overseas

Although half of the survey respondents are multinational corporations, their drug control efforts rarely reach beyond U.S. borders. Only 61 surveyed firms extend any domestic substance abuse measures to employees working outside the United States. All of these firms report they have policies that apply to employees wherever they are located, and roughly half of them say that drug education and employee assistance programs exist in foreign operations. As might be expected, however, security and drug testing procedures are the programs least likely to be exported—no doubt because foreign laws would make them extremely difficult (or impossible) to be transplanted intact.

Chapter 3

Drug Testing Programs: Characteristics, Procedures, Results

As previous chapters have shown, a near-majority of major corporations responding to recent surveys currently test for drug use among those already in their employment and/or those entering the company. This chapter examines why these employers have chosen to test for drug use while others have not, what program features are considered essential or desirable, how the program is executed, and what the results have been. The entire sample of companies responding to the Board's survey provides information about the decision process, but the specific features of corporate drug testing programs are drawn from the 334 firms with experience in these procedures.

The Decision Process

Reaching a decision on drug testing is a challenging task for employers. As in the development of a broader substance abuse policy, many individuals, representing different functional perspectives within the corporation, are called upon to weigh the pros and cons of drug testing and to define the scope of any program undertaken. Moreover, the investigation may take months—sometimes years—before either a positive or negative decision is reached (Chart 10).

Many of the departments that contribute to the firm's new or revised policy on substance abuse are the same ones involved in the drug testing decision—human resources, labor relations, legal, medical. The connection is a logical one since a company's consideration or reexamination of its substance abuse policy is likely to include a review of the perceived advantages and drawbacks of drug testing. Even so, the composition of the drug testing task group has a somewhat different emphasis; the CEO figures much more prominently, while employee assistance personnel seem to be less frequently consulted. Contributions from EEO staff, safety officials, and line executives are included in only a minority of companies.

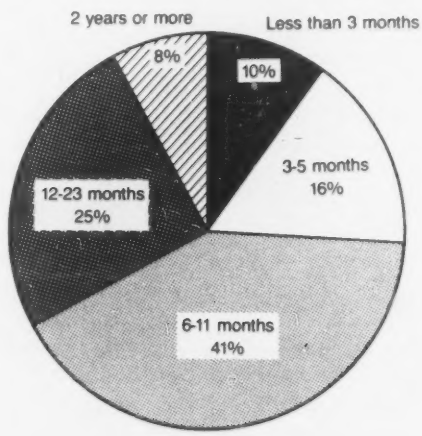
Based on the survey results, corporations spend on average between eight and nine months evaluating their options. The outcome of the deliberations seems to have only a small impact on the time frame involved: Results show that a slightly larger percentage of firms seriously considering—but ultimately rejecting—the concept of drug testing conclude their investigations more quickly than companies that adopt testing programs. Altogether, only a fourth of the employers surveyed (83 companies) required less than six months to make up their minds. In just under a third of the firms, at least a year elapsed before a decision was made, and 24 of these employers spent two years or more in research and discussion on the issue.

Conditions Influencing the Decision

Company officials cite evidence of drug problems in the workplace as the single most compelling reason for considering—and implementing—a drug testing program (Chart 11). As earlier data have shown, corporations with drug testing programs appear more acutely aware of the impact of workplace substance abuse, and more decisive in their actions (see Chapter 2). A greater sensitivity toward—and

Chart 10

Time Spent on the Drug Testing Decision

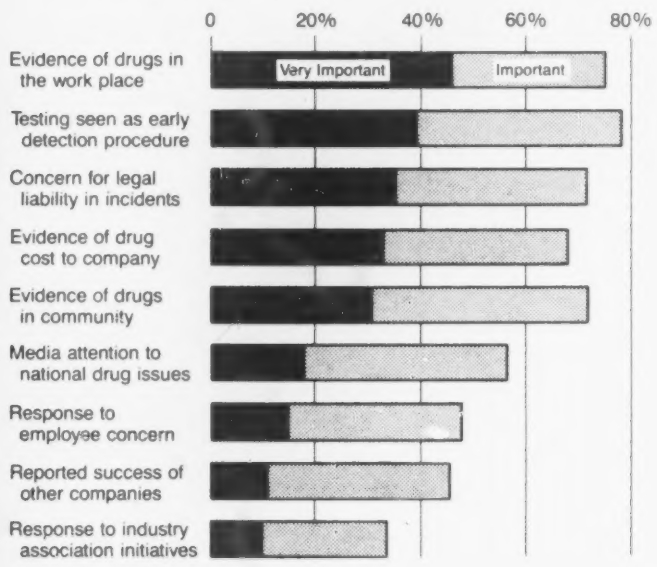


Note: Data reflect experience of firms that considered drug testing or currently test for drug use

Chart 11

Why Companies Implement Drug Testing Programs

Reasons cited "very important" or "important" by one-third or more of the respondents



Note: Data based on respondents in drug testing firms and in companies considering these programs. Number of respondents for each question varies.

willingness to acknowledge—drug abuse problems among their employees has undoubtedly made these firms more receptive not only to drug testing, but to a variety of other substance abuse control measures as well. (See box, pages 20-21, describing how some companies reached their decisions and implemented drug testing programs.)

The belief that testing for drugs can assist managers in the early detection of drug use before addictive behavior takes hold, and before drug problems become more serious at the worksite, also leads employers to explore a testing strategy. A concern for workplace safety often underlies their action. (Health and safety issues are the principal reasons that unions support corporate drug programs.) In the view of many proponents, drug testing not only has the capacity for detecting incipient drug problems, but can act as a deterrent to others who may be tempted to experiment with drugs—or who are already doing so, but who have not yet encountered any performance difficulties.

In addition, using drug testing as a pre-employment screening procedure, proponents believe, sends an important signal into the local community that the company will not tolerate drugs in the workplace and that drug users will not be hired. Since many employers recognize that community drug problems are likely to show up in the workplace, pre-employment testing is frequently intended as a preventive measure. When other employers in the area are already screening job applicants, such procedures become even more appealing. As one executive puts it, no company wants to be regarded as the "employer of last resort" for drug users.[1]

Legal considerations also rank high in the decision process. Many corporations say they have initiated testing procedures to detect applicant or employee drug use—or are now leaning toward such a strategy—because they are worried about their legal liability in the event of drug-related accidents. Some employers have already faced costly legal battles due to serious incidents in which drugs have been implicated, while others are fearful of them because of the nature of the industry and the kinds of work people do. Publicity surrounding drug incidents in such industries as nuclear power plants, airlines, trucking firms, and in a variety of manufacturing settings—to say nothing of the growing drug-crime link—has certainly raised awareness of the potential for danger when drugs are present. Beyond that, employers admit they are not immune to the substantial media attention to drug issues as a national problem.

Businesses also pay attention to statistics on the high cost of workplace drug use—as reflected in data on lost time, accidents, drug treatment and related health care expenses, employee theft, and the like. For many corporate executives, available national estimates on these costs, though often dated and inexact, can still be persuasive; a few employers have also assembled compelling statistics about conditions, costs, and benefits in their own companies. Once drug programs get under way, their operational costs can be incorporated into the calculations. (See box on costs of drug tests, p. 27.)

All or various combinations of these reasons contribute to a company's decision to launch a testing program, just as they probably motivate other corporate initiatives in the war against drugs. During the time when many companies in this survey were reviewing their positions on the drug testing issue, testing technology and services also improved markedly.

Other factors, however, appear to be decidedly less important to companies exploring their options on substance abuse control measures. Approximately two-thirds of the employers surveyed, for example, revealed that consultants' recommendations and negative publicity about company-related drug problems were not significant factors in their drug-testing decisions. They were also not swayed by the reported success of government/military testing programs. In addition, close to 70 percent of the respondents indicated when surveyed that government mandates played no role in their consideration of drug testing. But due to federal legislation passed since the survey took place, this consideration may have more significance today (see Chapter 1).

[1] An executive from the benefits consulting firm, Towers, Perrin, Forster & Crosby, reports a scarcity of drug-free workers in some labor markets. Several of the firm's corporate clients indicate that they have had to hire individuals who have failed pre-employment drug tests because of the widespread use of drugs in certain parts of the country. See "Pre-employment Drug Testing Failing in Some Areas, Consultant Says," *Daily Labor Report* (The Bureau of National Affairs) No. 241 (December 18, 1989), p. A-3.

Companies That Said No to Testing

Some firms that look into drug testing eventually decide that such action is not appropriate for them. At the time they were surveyed, 8 percent of the 339 corporations not engaged in drug testing (28 companies) indicated that they were about to implement a program, while another 7 percent said they planned to start an investigation in the near future. An additional small number of firms reported that drug testing was still under review—in one case "blind testing" of applicants (no names used) was in process, and gross results would be assessed before the company made a decision one way or the other. Most of the companies that provided responses, however, had either considered and rejected the concept of drug testing or expressed no interest in exploring its feasibility. Over two-fifths of the nontesting firms (143 companies) chose not to reveal their past decisions or their future plans.

When queried on factors influencing their decision not to test, well over half of the respondents across industry lines cited the threat of legal action challenging the testing strategy or procedures as the single most important deterrent. Other reservations deemed "very important," especially in industries with unionized work forces, concern the accuracy of the tests, drug testing's inability to measure impairment, and the potentially negative effect on employee relations. Union opposition, on the other hand, is reported as "not at all important" by two-thirds of the responding firms, probably due to the absence of organized labor in many nontesting firms.

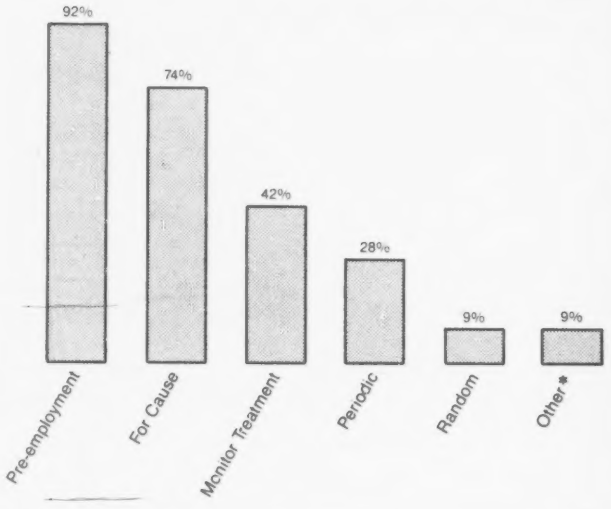
The incompatibility of drug testing with the corporate culture and philosophy is perceived as a particular stumbling block in the financial services industry. Respondents in this industry group are also more likely to minimize the extent of drug use in their work forces, dismissing drug testing as unwarranted.

In addition, according to one in seven nontesting companies surveyed, drug testing has not proven effective in reducing drug use. In fact, one senior executive in a major office products firm displays a rather cynical view—that drug testing is perhaps only an "intelligence test." Concern about program costs and administrative logistics are also mentioned in company decisions to reject drug testing.

Chart 12

The Prevalence of Drug Testing Programs by Type

Percent of survey respondents with drug testing programs



Note: Data based on 334 companies with drug testing programs

* As condition for promotion, transfer, etc.

Characteristics of Applicant and Employee Drug Testing

Of the 334 companies with drug testing programs in the Board's survey, more than nine out of ten screen for drug use as part of the employment process (Chart 12). For-cause testing is also widespread: Three out of four companies require drug tests of employees following accidents, incidents, or observed suspicious behavior. Other reasons for drug testing—as part of a drug rehabilitation process, during routine physicals, or conducted randomly throughout the employee population, for example—are distinctly less common.

The prevalence of drug testing within a company, as well as the categories of individuals subject to testing procedures, varies according to the nature of the program. Testing prior to employment is the program most universally applied, perhaps because it is the most "externalized" of the drug testing programs, affecting nonemployees only, and, for that reason, is least likely to present legal complications for the company. In more than eight out of ten companies, applicants for all job categories—although usually only the serious candidates or finalists—are expected to pass a drug screen before they can be hired. (In some instances, the test is administered after the job offer is made, a requirement in some states.) Over seven in ten administer pre-employment drug tests at all company locations.

While drug testing for cause and for monitoring purposes is also generally applicable to all employees in all locations, tests are triggered by conditions outlined in the company's policy, so that the number of individuals within the work force who are actually required to submit urine samples in any given year may, in fact, be relatively small. Random testing, the least common form of drug testing, is most likely to be confined to a limited group of employees in a few locations.

Very few of the companies studied have extensive experience with drug testing activity (Chart 13, p. 23). Only 13 percent of the 845 individual types of testing programs identified by the survey respondents were initiated prior to 1984, but well over two-fifths date from 1987 and early 1988 (when the survey was in the field). All of the random testing programs were implemented in the post-1984 period. Since a number of plans were reported to be in the works at the

Implementing Drug Testing: Some Corporate Examples

As evident from the survey data, company approaches to drug testing vary considerably. The following examples illustrate how differences in motives, timing, organizational structure, management style, and work environment affect the development of drug testing programs.

• **United Airlines.** United's program, which began in early 1984, was prompted by a number of external changes: in work force demographics (new life-styles, different employee groups involved with drugs); in societal values (growing tolerance of some forms of drug use, especially marijuana); and judicial decisions (evolving victim compensation law supporting corporate liability for injuries to customers or the consuming public). In addition, the airline's employee assistance program, in place since 1978, was recording an upward trend in drug use among employees, demonstrating that the company was not insulated from the external changes observed.

As the investigation of pre-employment drug testing began, the firm concentrated on three issues. The first of these emphasized the cost of testing. United officials examined the cost of the tests against the large number of people hired each year, and the anticipated indirect costs of inserting drugs tests into the employment process—more time involved in getting people from the employment office to the job, and more candidates to interview because of likely rejections. Safety was another important consideration. Statistics in the transportation industry on the relationship of drug use to accidents and injuries seemed indisputable. Anecdotal information from the EAP confirmed that such a link existed in the company, too.

Support for the pre-employment program came from both management and unions. Union officials endorsed the program because it would help keep drug users off the job. Some in management objected to the cost of the program, but calculations showed potential savings in medical benefits, and the safety issue predominated in both groups.

For the first six months of the program, the company tested new hires, but did not use the results. Although the program turned out to be more expensive than originally envisioned, full implementation occurred in late 1984. For-cause testing of employees became part of the fitness-for-duty examination.

United's drug testing program is administered through the medical department, where the employee assistance program is also located. Although the EAP reports to the corporate medical director, the coordinators are peers to each other in the field. The medical department and the EAP operate as a professional team, communicating with each other on a need-to-know basis. This joint effort seems to work for United Airlines, and the corporate medical director finds the drug testing program to be "good preventive medicine."

• **AT&T.** Although some manufacturing units at AT&T were already engaged in pre-employment drug screening in 1985, the company had no unified approach to the issue. Overall, in the operations where testing was under way, 24 different drugs were being tested, 13 different laboratories were used, and eight different combinations of laboratory methodologies were employed. Inconsistency was also apparent in chain-of-custody procedures, and in the various documents and release forms used.

To address this situation, a committee was established in April 1985 "to thoroughly investigate current practices, procedures and methodologies of drug screening, and make appropriate recommendations regarding an AT&T drug screening program." The committee, including both proponents and opponents of drug testing in the manufacturing sector, was chaired by the national manager of the company's employee assistance program, and assisted by staff and outside consultants.

Between May and September 1985, the committee examined a wide range of issues, including whether the company should test and who should be tested, what legal and labor relations issues needed to be addressed, what the tests should look like, and what procedures should be followed. During the course of its investigation, the committee consulted 250 documents—primary and applied research studies (mostly from government agencies), articles in the business and general press, legal documents gathered by a staff attorney. It also investigated laboratories that could conduct the tests—three site visits were made by the committee, and a toxicologist consultant joined the group to assist in the selection. Finally, the committee gathered policies and procedures used by 14 companies already experienced in drug testing. These documents provided information on difficult issues, such as maintaining chain-of-custody consistency in multi-site operations, candidate notification and release forms, observed specimen collections, etc.

In September 1985, the committee recommended that pre-employment screening in the manufacturing sector be continued where currently in operation, and expanded to other manufacturing units not then conducting such tests. It also recommended that for-cause testing be conducted, and that a policy and specific procedures be developed.

Between September 1985 and March 1986, common and consistent procedures were issued to all manufacturing sites. These were implemented the following month, and revisions were made in July. In May 1987, AT&T issued a single policy on substance abuse.

• **Abbott Laboratories.** Prior to adopting its current policy on substance abuse in April 1987, the company had a very restrictive drug policy dating from the 1960s. Abbott, a manufacturer of controlled substances (including benzodiazepines and amphetamines), has an obvious concern for maintaining security in its operations. Its original drug policy stated that employees using drugs or otherwise unlawfully involved with them would lose their jobs, and employees aware of such behavior in others, but concealing this information, would also lose their jobs. In addition, any background investigation showing evidence of any drug involvement would terminate consideration of a job candidate.

In recent years, Abbott became increasingly aware of the detrimental effects of this drug policy, which drove people underground. No employees sought help for drug problems be-

cause they would lose their jobs. In late 1986, personnel officers approached the CEO and Operations Committee and requested that the policy be changed. According to the personnel director, the policy revision was a complicated and often frustrating experience, but involved a balanced input from many units of the company, including the EAP, which was established at that time.

The revised policy adopts pre-employment, for-cause and post-treatment testing, and reserves management's right to test in sensitive job positions. In an effort to dispel employee suspicion, communication of the policy continues to emphasize the helping role of the employee assistance program. When first issued, the revised policy was sent to all employees in their homes.

• **Champion International Corporation.** Champion, a decentralized forest products company, has had a substance abuse policy since the mid-1970s. Its employee assistance program, which originated in its Hamilton, Ohio paper mill in 1979, became a corporatewide program in 1981. Preemployment drug testing, under consideration for several years, began in 1986. All facilities follow the corporate policy and procedures in administering the applicant testing program.

Because of its long-standing concern for and support of employees with alcohol problems, Champion wrestled with the impact of employee drug testing on employee attitudes. More difficult, however, was to integrate employee testing with the EAP concept. In 1987, the corporate-level Health Care Council researched and prepared a policy outline, approved by the CEO, that defined employee drug testing within the company's "impaired person" policy. Representatives from major mills, business units and the corporate staff also provided input to the corporate policy development process.

Although pre-employment drug screening is required throughout the company, local managements have the capacity to develop their own substance abuse policies and procedures. These, however, must be constructed within the framework of certain corporate-mandated parameters and be negotiated with the union. Employee education and training are cornerstones of Champion International's substance abuse program.

For a local policy to be in compliance, no employee testing can occur without an EAP in place, and no random screening can be permitted. In addition, employee drug testing becomes a consideration only when the operating location invokes the "impaired employee" section of the corporate policy. This section calls for a medical evaluation, including alcohol and drug testing, which is at the discretion of the attending physician.

• **Duke Power Company.** A task force formed in May 1985 at Duke Power, consisting of 23 individuals from all areas in the company and headed by the vice president of human resources, was charged with examining the company's existing policies on substance abuse and recommending changes. Duke Power, headquartered in Charlotte, North Carolina, is the major power supplier to North and South Carolina. Within its network of company designed and constructed power plants are three nuclear plants. The utility has a reputation in the industry for technical excellence, and is known as a good corporate citizen and caring employer. Union representation is not strong in the company.

In the decade prior to the policy review, the company had an active alcohol/drug program, including an EAP. Its fitness-for-duty training dates from 1984. Initiatives undertaken in 1985 were prompted by concern about the health and safety of employees, the company's nuclear operations, and the likelihood of action by the Nuclear Regulatory Commission mandating policy changes if not developed by the company.

With assistance from an outside consultant, the task force spent three months developing a comprehensive substance abuse program that fit the needs and culture of the company, and submitted its recommendations to top management in July. Duke's Operating Committee (the CEO and four senior officers) analyzed the task force report during three sessions which, in aggregate, consumed 12 hours of discussion. The recommendations were approved by the Operating Committee and, later, by the Executive Committee, in September 1985. Drug testing, a component of the policy, began in March 1986 for applicants, and June for active employees. (Duke's policy limits employee testing to safety-sensitive jobs, and for-cause situations.)

The principal focus of Duke Power's substance abuse program is education. The implementation of the new program was carefully orchestrated and carried out. Materials used in training sessions were developed over the three-month period ending in December 1985. Training, which began in January 1986, started with the top 500 managers in the firm who spent a full day with the consultant, corporate medical director, and key human resources executives, learning the details of the program. These managers, in turn, trained supervisors in four-hour sessions. All other employees had at least two hours of training on the new policy and procedures. Representatives from the medical department and the EAP attended most sessions.

Materials that were distributed during the training sessions contained some frequently-asked questions and answers. However, as the training proceeded, new questions emerged. These employee concerns, along with responses prepared by the corporate human resources department, were added to the training materials. Revised employee and supervisor Fitness-for-Duty Guides, issued in 1986, include the expanded Q-and-A sections. (The guide was revised in 1990.)

Managers and supervisors received their substance abuse training prior to the implementation of the pre-employment drug screening program. All other employees had been through the training process six weeks before employee testing began, a schedule designed to allow employees who might be using drugs to get them out of their systems before the new procedures took effect. Six employees entered the employee assistance program voluntarily before testing began.

time of the survey, and another group of companies indicated they were about to launch investigations, it seems likely that the proportion of companies inexperienced in drug testing will remain high over the next few years. Recent federal legislation mandating drug testing in certain industries or under certain conditions provides additional impetus for expansion of these programs (see Chapter 1).

In aggregate, however, relatively few employees appear to be directly affected by the proliferation of these programs. Much of the testing activity remains in the applicant population, and defined circumstances almost always limit its use among active employees. A Department of Labor survey issued in early 1989 confirms this assessment. Results from the government study show that only 1.1 percent of employees in private nonfarm business establishments were tested for drug use between mid-1987 and mid-1988, although about 20 percent of the employees were in worksites where testing was done.[2] The incidence of drug testing in the federal government is also low. On average, the pool of employees in major federal agencies who are working in sensitive jobs and eligible for random drug testing is about one in twenty.[3]

[2] U. S. Bureau of Labor Statistics, *Survey of Employer Anti-drug Programs*, Report 760. (Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, January, 1989.)

[3] Michael Isikoff, "Many are Called But Few are Using Drugs," *The Washington Post National Weekly Edition*, July 25-31, 1988.

Basic Features of Drug Testing Programs

As indicated, pre-employment and for-cause testing are the two most prevalent forms of corporate drug testing in use today. These two programs coexist in seven out of 10 companies in this study with drug testing programs. When a third program has been installed, it is usually for the purpose of monitoring individuals who are undergoing—or have completed—treatment for drug use. Less than a fifth of the respondents have totally "externalized" their drug testing activity by confining it entirely to the employment process.

Program Management and Administration

According to the survey responses, some aspects of the drug testing procedures may vary among the different programs, particularly in the way applicants and incumbents are treated, but overall management of the program is usually centralized (Chart 14). Administrative characteristics also reflect the corporation's organizational structure.

For the most part, drug testing is a headquarters-driven program. The corporate staff is responsible for policy development, both in overall substance abuse control measures and in drug testing. Administrative authority for the testing program also remains at the corporate level. In well over half of the companies, the drug testing policy and procedures are uniform throughout the organization and the program is administered by headquarters staff. In another third,

The Issue of Random Testing

Corporate executives are sharply divided on the question of random testing for drug use, and survey results show that this form of testing has gained only modest support to date in the corporate community. Department of Transportation (DOT) regulations, issued in late 1988, require random testing for approximately 4 million transportation employees—airline pilots, truck and bus drivers, railroad workers, merchant seaman, and gas pipeline workers—considered to be in safety and security positions. Implementation of DOT's drug-testing rule, issued December 1, 1989, became effective beginning December 18.

Union opposition remains a stumbling block to smooth implementation of the DOT regulations. Unions, in general, oppose random testing because of the "guilty-until-proven-innocent" message they say it suggests. Some corporate executives are also philosophically opposed to these tests. Others balk at the costs of testing large samples of the work force without apparent reason.

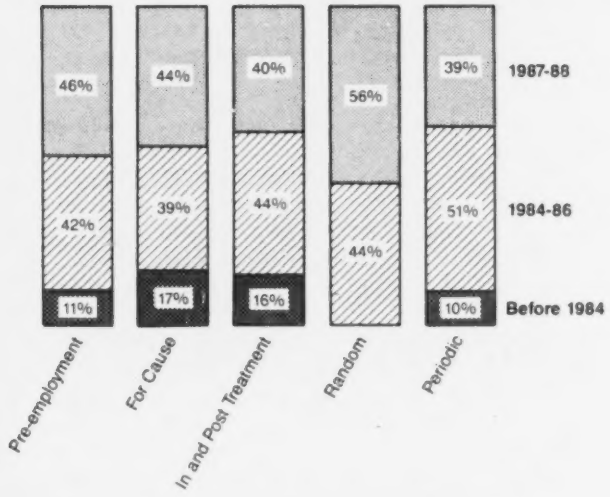
Elsewhere in the private sector, however, random testing has gained ground among some of the utilities. Among these, Georgia Power Company has been one of the leading proponents of random drug testing, and counts itself as a trendsetter in substance abuse control measures. Georgia Power's support for across-the-board drug testing is based on the assumption that "people who write the rules shouldn't be treated differently from those who have to obey them—the engineer who draws up the specs for the equipment should be as accountable and as drug free as the employee who ends up turning the wrench to fix it after it breaks down."

The company, with its "no drugs, no time" policy—and a reputation for firing on the first offense, has a long history of antidrug activity, and a seven-year-old drug testing program. With the introduction of random testing, the company's antidrug posture has been modified to allow second chances to individuals who test positive in these screens. Employees with test-confirmed drug use are allowed a one-day "decision-making leave" in order to seek help, but must produce evidence of such contact in order to be able to return to work.

The program, described as a true random sampling with no stratification or bias in the selection process, was introduced in three stages, beginning in November 1988. During the first month, all company officers were brought into the program. Over the next three months, supervisory personnel were included and, by March 1989, all other employees were expected to be subjected to random testing. A union grievance granted by an arbitration panel, however, reduced the scope of the program among union-represented employees to safety-sensitive job positions. (*IBEW Local 84 v. Georgia Power Company*, AAA Case No. 30-300-0002-89, 2/28/89.) The selection of these positions is the subject of follow-on arbitration, which is expected to be resolved by mid-1990.

Chart 13

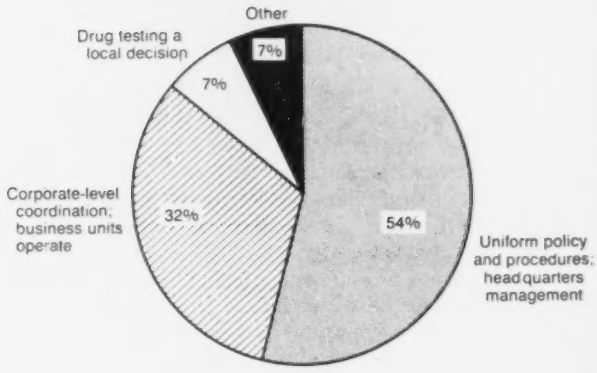
Age of Corporate Drug Testing Programs



Note: Number of drug testing programs varies by type, see chart 12

Chart 14

Drug Testing Program Administration



individual business units within the firm maintain operational control over testing procedures, but a corporate-level executive coordinates these activities and provides reports to top management. Seven percent of the firms (21 companies) allow individual business units to develop their own policies and procedures regarding drug testing, while the remainder describe other arrangements.

Companies that permit greater autonomy in their drug testing programs explain that such leeway accommodates for differences in state laws, regional cultures, and special conditions in local operations. Even though operating units in some firms are accorded considerable latitude, and may even elect not to test for drug use, the broad guidelines of a corporate substance abuse policy are still likely to apply. For example, drug testing is a local option at Burlington Industries, but facilities that choose to test for drug use must follow the corporate policy and testing procedures. (See also box on examples of corporate drug programs, pp. 20-21.) According to a physician at Mobil Corporation, the ideal policy is one that "is broad enough to fit all company locations and flexible enough to be molded and amplified as needed to fit local conditions."

Responsibility for administering the testing program resides most frequently with a human resources/personnel/employee relations officer. In less than a fourth of the companies, the manager in charge of the company's health services unit or a(nother) medical professional directs the drug testing program. On the other hand, about 10 percent of the responding firms have assigned a corporate-level vice president or more senior officer as the administrator.

Among the survey respondents, the chain of command provides clear evidence of top management's interest in the corporate drug testing program. In well over half of the firms surveyed, the official who has the administrative responsibility for the program reports to a senior officer in the corporation—at the vice presidential level or above. The drug testing manager in 43 of these companies is directly accountable to the CEO, chief operating officer, or a vice chairman of the corporation.

Establishing the Parameters

Once a company has identified the populations to be tested, many other, often controversial, questions remain, all serving to further define the scope of the corporate program. According to survey respondents, much time is consumed deliberating issues involving when the testing is done, who will do the testing, and what the tests are designed to show. Complicating these parameters are the proliferating state and local laws governing or affecting drug testing procedures (see box, p. 24-25), as well as recently implemented federal regulations affecting certain industry testing programs.

When Drug Testing Occurs. Since companies are not interested in testing everyone who walks in the door looking for work, job applicants are usually not asked to submit to a drug test until the employment process is nearing completion, or, in some cases, after a job offer has been made. Many times, the test is included in a physical examination required as a condition of employment. In some cases, the company tests several finalists for a position so that all qualifications can be evaluated, not just the results of the drug test. This is particularly important if applicants are not informed of the test results, but are only told they failed to meet the qualifications for the job. (See Notification of Applicants

State and Local Laws Regulating Drug Testing

A number of states, and some localities, have enacted legislation regulating drug testing within their jurisdictions. The prevalence of such laws, and their constant testing in the courts, poses problems for major employers, whose operations extend into many states.[1] Brief summaries of current legislation affecting private sector employers serve to illustrate the varied approaches used by states and localities.

• California was one of the first states to become active in the drug testing arena. Although no statewide drug testing legislation is on the books, an ordinance that became effective in **San Francisco** in December 1985 prohibits random or companywide testing as a condition of continued employment. "Reasonable grounds" of impairment threatening the safety of the employee or co-workers must be demonstrated. The ordinance further requires employers to use state-licensed laboratories to conduct the tests, and to permit employees to explain positive test results and have their samples retested by an independent laboratory. Certain public safety officials, such as police and firefighters, are excluded from the ordinance.

• A **Connecticut** law, passed in 1987, requires two separate confirmatory tests to be conducted on positive urine screens and prohibits witnessed sample collections. The law is applicable to drug tests conducted among job applicants, as well as incumbent employees. Employees may only be tested under certain conditions: suspicion of being "under the influence" of alcohol or other drugs; if required by Federal law; if working in certain high-risk or safety-sensitive jobs; and if conducted as part of a voluntary employee assistance program. Candidates for employment must have written notice at the time of application that testing is required, and must be given copies of positive test results. Test results must be held confidential.

• A law passed in 1987 in **Iowa** defines the conditions under which employee drug testing can be conducted, and the procedures that employers must follow. In general, tests can only be conducted based on "probable cause" or evidence of impairment. If drug tests are to be administered during physical exams, at least 30 days' advance notice is required. Random testing is prohibited. Employers must also alert applicants, prior to or during the application process, to preemployment testing programs. If a test documents evidence of employee drug use, companies must provide any recommended treatment, with costs included in coverage of an employee benefit plan, or, in the absence of such a plan, at the employer's expense.

• In legislation passed in 1987, **Louisiana** requires employers to have a written policy prior to employee drug testing. Conditions under which testing is permitted include investigation of possible impairment, accidents or theft at the worksite, threats to safety or security, maintenance of productivity and quality of products and services. Drug testing procedures are specified, confirmation of all test positives is required, and confidentiality must be maintained. Drug testing laboratories must be licensed by and located in the state. A 1988 amendment to a law prohibiting employers from requiring job applicants or employees to pay for medical examinations extends that prohibition to drug tests.

• In **Maine**, a drug testing bill signed into law in July 1989, received support from local labor unions. Job applicants must first be offered a job, or be placed on a waiting list, before a drug test can be given. "Probable cause" is the only justification for testing employees for drug use—but may not result from information supplied by an anonymous tipster, concern off-duty use, or be dependent upon only one work-related accident. Companies contemplating testing must furnish employees written copies of the testing policy 60 days before implementing the program. Random testing can be conducted among employees in high-risk jobs, such as nuclear facilities, or if provided for in collective bargaining agreements. An employee assistance program must be available if the company has more than 20 employees, and other procedures involving the drug test process itself must be followed.

• According to a law passed in 1988, licensed, certified or accredited laboratories must be used by employers engaged in drug testing in **Maryland**, and the names of these laboratories furnished to employees being tested. If willing to pay for it, employees may request a positive test result to be verified by a second laboratory. Employees tested must also be given a copy of their test results, the employer's written substance abuse policy, and be notified in writing about any intended disciplinary action stemming from test-confirmed evidence of drug use. Use of legal drugs (nonprescription and prescription) may not be disclosed to the employer by the testing laboratory.

• In **Minnesota**, minimum standards were set out for drug and alcohol testing policies in legislation passed in 1987. The law requires employers to have written drug testing policies, follow specific testing procedures, use only licensed laboratories, and confirm all positive test results. Random testing is permitted in safety-sensitive positions and during treatment for drug use. Job applicants may be tested only after an offer of employment is made and if the test is required of other persons receiving conditional job offers for that position. At least two weeks' written advance notice must be given employees who are expected to undergo drug tests as part of a routine physical exam. First-time drug users identified by positive tests must be offered counseling and treatment before disciplinary action can be taken. An amendment in 1988 permits breath-alcohol testing when tests are confirmed by blood analysis.

Note: Summaries of state employment legislation, including employment testing programs, are published annually in the January issue of the *Monthly Labor Review*.

[1] In unveiling his drug-control strategy for fiscal year 1991, President Bush expressed concern about recent state laws that have placed restrictions on drug testing, and reported that his Drug Control Policy Office would be developing model legislation to encourage states to promote comprehensive drug-free workplace programs. See "Bush Raps State Drug Testing Limits; Promises to Provide 'Model' State Law," *The Daily Labor Report* (The Bureau of National Affairs) No. 23, February 2, 1990, p. A-5 and A-6.

• Legislation in **Montana** in place since 1987 prohibits blood or urine testing except when security and public safety are at risk, or in jobs with fiduciary responsibility. Such testing is also prohibited as a condition of continued employment unless the employer has reason to suspect impairment. When drug testing is permitted, the program must be guided by a written testing procedure containing specified safeguards.

• Since 1988, public and private employers of six or more persons in **Nebraska** may require employees to submit to drug and alcohol testing. Refusal to undergo tests can result in discharge or disciplinary action. Confirmed positive tests may be grounds for dismissal. Adulteration or other tampering of test results is a punishable offense. Test procedures are specified.

• Legislation in **Rhode Island**, dating from 1987, prohibits drug testing as a condition of continued employment, and permits testing only when the employer has objective evidence of an employee's impaired ability to perform. Drug testing may only be conducted if "a bona-fide rehabilitation program" is available. Employers are required to confirm positive test results, and employees must be given the opportunity to explain positive tests, and may have a sample retested by an independent laboratory at the employer's expense.

• **Utah** enacted legislation in April 1987 protecting employers from liability provided they follow drug testing procedures outlined in the law and the test result is validated. Both pre-employment and employee testing are permitted, although written policies governing procedures must be given to employees. Policies must also be made available to job applicants. The law, which permits periodic testing of employees without "reasonable cause," specifies that if testing is done, management may not be exempt from such procedures. Positive test results may lead to disciplinary action or discharge.

• A **Vermont** law, effective in September 1987, prohibits drug tests without probable cause that drugs are being used on the job. All drug tests must be confirmed by a GC/MS or similar test. Employers are also required to offer employee assistance programs as a prerequisite for drug testing, and employees may only be terminated after a second positive drug test following counseling and treatment. Applicants must have a conditional offer of a job and ten days' advance notification before a drug test can be administered. Applicant testing must be done as part of a pre-employment medical examination. Applicants and employees must be allowed to explain positive test results, and to have samples retested at an independent laboratory.

Other state laws affect drug testing laboratories, regulating, for example, the number and types of tests to be conducted and the chain-of-custody procedures to be followed. According to a report from the General Accounting Office issued in September 1988, 11 states had statutes and regulations that specifically covered laboratories processing employee drug tests (Connecticut, Iowa, Kansas, Maine, Maryland, Minnesota, Nebraska, New York, Oregon, Rhode Island, and Vermont); 15 states exercised general oversight and control through laws or regulations affecting medical and clinical laboratories; and 24 states had no laws or regulations concerning testing laboratories.[2] Standards of testing laboratories may also be controlled by criteria established for membership in certain professional associations—including, for example, the College of American Pathologists, the American Society of Internal Medicine, and the American Association of Bioanalysts.

Other federal and state laws may also affect employers and employee rights in connection with drug testing, including, for example, statutes preventing handicap discrimination and state constitutions protecting the right to privacy. In addition, employees in some states (such as California, Louisiana and Oregon) may not collect unemployment benefits if fired for refusing to take a drug test.

[2] United States General Accounting Office. *Employee Drug Testing: Regulation of Drug Testing Laboratories*. Washington, DC: United States General Accounting Office, September 1988.

and Employees, p. 31.) Employers, however, may not always have this leeway. States such as Minnesota and Maine require that job offers be made before the test is conducted (see box above).

Job application forms, posters in the recruiting office, or statements in help-wanted ads, are likely to inform applicants that the company conducts pre-employment drug screening. Some corporations choose to notify applicants at the time the interview is arranged, preferring a low-key message. In either case, however, company officials say that advance warnings help deter drug users from actively seeking employment in the company.

For employees, the conditions triggering drug tests are different, and perhaps more complicated, since they typically depend on the effectiveness of supervisory referrals, and the willingness of the employees to respond. Many companies expend a great deal of time and effort training supervisors to confront employees who display suspicious behavior or who have job performance problems. The recommended course of action, these firms say, is for the supervisor to send the problem employee to the medical department or EAP for an evaluation. It is then up to the professionals to determine what form that evaluation will take, and whether a drug test is appropriate. Policies are sometimes vague, however, on what supervisors should be looking for and when they should act. Such gaps may cause confusion about referrals, and encourage supervisors to refrain from taking action in difficult situations (see box, p. 26).

Laboratory Selection and Services Provided. Corporate executives emphasize that a uniform testing process is a critically important feature of a quality drug testing program. Using well-established laboratories, restricting their number, and controlling the number and responsibilities of in-house personnel involved, are effective ways to minimize deviations from desired standards.

Muddy Mandates for Supervisors

One of the perennial problems companies wrestle with is the role of the supervisors—when they should act and what they should be called upon to do in situations that may be drug-related. How effective supervisors are in dealing with subordinates who have problems is considered a key factor in the success of corporate substance abuse programs.

In general, supervisors do not have the authority to order a drug test. Nor are they expected to detect drug use. Their role is to identify employees who exhibit abnormal behavior or whose work has deteriorated, to document the relevant circumstances, and to refer the individuals to professionals for further evaluation. Corporate executives emphasize that developing specific procedural guidelines—that rely on performance standards, attendance expectations, and safety regulations—and providing ongoing training sessions, are essential steps in preparing supervisors to respond in an informed, consistent, and timely manner.

In firms with a strong union presence, the emphasis is on job performance. Some labor relations specialists, in fact, believe that job performance "is the *only* legitimate reason that employers have for intervening in employees' private lives."[1] Fitness-for-duty policies also focus on performance issues, although supervisors are expected to watch for changes in an employee's behavior that could contribute to poor performance on the job, or unsafe work conditions. Seasoned executives warn that because chemically dependent individuals are often very clever in concealing their habits from others, reliance on overt signs of drug use can be misleading. According to one employee assistance administrator:

> It's a mistake for companies to think they can teach supervisors to identify drug abusers—even though many think they need this information. While it's appropriate to provide some education on drug abuse and its symptoms, supervisors should concentrate on work performance. Drowsiness and other symptoms are indicative of unstable, unsafe or unsatisfactory performance. That's the call for them to make.

Put another way by an executive at Commonwealth Edison, supervisors "can—and should—only deal with performance issues and behavioral changes. They should not be diagnosticians and assume drug use." They should base their referrals on hard evidence—for example, changes in behavior, absenteeism or other attendance problems, and accident rates. At a transportation company, supervisors are instructed to identify both drug use and performance problems, but, according to a company official, "the odds [of a supervisor] seeing someone who exhibits odd behavior before that person causes serious injury to him/herself or others and is subjected to testing is negligible."

While, in principle, the supervisor's role seems clear, the difficulty lies in how phrases like "fit for duty," "impairment," and "under the influence" are interpreted, and what triggers the confrontation and referral. Many corporate executives and health practioners argue that since no legally or medically defensible standards of impairment exist for abused drugs (other than alcohol), these guidelines are inappropriate. In the absence of such standards, they say, the presence of any drugs in the system should be cause for concern, particularly when personal or public safety is at risk, but this can not be determined without a drug test.

A similar lack of clarity exists between the terms "reasonable suspicion" and "probable cause." The general assumption is that "probable cause" is more of a mandate for action than "reasonable suspicion," but, ultimately, the call is based on subjective opinion and personal experience. Older supervisors, for example, are likely to have less firsthand knowledge of illegal drug use than their younger counterparts, and may be more willing to deny that a problem exists. Others may be resentful because they regard the employee's behavior as a personal attack on their authority or competence.

Another manager observes: "Supervisors may be unwilling to deal with a situation they see as a drug problem—because they are concerned about legal consequences, influenced by the old-boy network, or afraid they may be wrong." Although under pressure to "do something," supervisors can be reluctant to take early action, chosing, instead, to wait for more conclusive evidence. Thus, by the time a problem employee is referred, major damage may have occurred, and the individual's rehabilitation and return to work may no longer be options for consideration.

[1] William J. Sonnenstuhl and Harrison M. Trice, "Lessons from EAPs for Drug Screening," *ILR Report* (Spring 1986), p. 25.

Nearly two-thirds of the survey respondents contract with only one testing laboratory, and close to nine out of ten reveal that no more than three laboratories provide drug testing services to the company. Only 42 firms report using more than three contract laboratories to analyze specimens submitted in the drug screening process.

When questioned about the criteria used in selecting the testing laboratory (or laboratories), companies most frequently mention the importance of good credentials. Close to 60 percent of the respondents claim that this is the major determinant in their selection. Professional associations, such as the College of American Pathologists, provide these credentials, as does the federal government. In April 1989, the National Institute on Drug Abuse issued a list of 20 laboratories that met the standards of the Mandatory Guidelines for Federal Workplace Drug Testing Programs, and were certified to process drug tests for federal agencies.[4] Updated lists, published as "Notices" in the *Federal Register* on a bimonthly basis, add to the original group and omit names of laboratories that fail to maintain their certification. Bills

[4] *Federal Register*, Vol. 54, No. 63 (Tuesday, April 4, 1989), p. 13661.

Costs of Drug Tests

The cost issue is a consideration for any firm launching a drug testing program—and is undoubtedly a factor in decisions not to test for drug use, particularly when a company believes it does not have serious drug problems. The United States government, a major consumer of drug testing services, has examined the cost of its federal drug testing programs, based on estimates submitted by the U.S. Office of Management and Budget (OMB) in December 1987. While private sector employers are likely to have different experiences, an analysis provided by the U.S. General Accounting Office (GAO) offers some guidelines on per capita prices, and reasons for variations that are likely to be present.[1] (The GAO report also examines costs associated with program administration, supervisory training, and employee education that are not detailed here.)

Based on the GAO study, the OMB estimates of $25 per specimen collected and $20-25 per specimen tested, for example, may be appropriate under some circumstances, but actual costs depend on a number of specific conditions, even after size of program and agency are taken into account. These include:

- **Specimen Collection.** Prices vary according to the geographic dispersion of collection sites and how specimen collection is accomplished. Agencies using their own personnel for sample collection will incur lower costs than those using outside contractors. In addition, if contractors have to service many sites, and remote locations, prices will increase accordingly. Beyond these considerations, certain types of tests conducted—such as post-accident and reasonable suspicion testing—cannot be planned, and such emergency collections are likely to cost more.

- **Drug Testing.** Since the federal government's Mandatory Guidelines specify the procedures to be used, consistency is achieved in the federal program. Private employers, however, establish their own procedures, or purchase from a menu of tests and services provided by the contracting laboratory. Prices will depend on the number of tests performed, range of drugs tested, the type and sensitivity of the tests used, turnaround times and procedures, etc.

- **Medical Review.** The federal guidelines require that a licensed medical professional review confirmed positive drug tests in federal agencies to determine whether a legitimate medical explanation exists for the positive test result. The review may include an interview with the test subject. While most private employers are not under the same obligation, companies with in-house medical departments typically conduct these reviews. (Medical review is required in firms covered by the Department of Transportation regulations.) These services can also be contracted for, and will affect the price of the drug testing program.

- **Quality Control.** Federal drug testing programs must include quality control checks, using spiked or blank urine specimens, that are conducted without the testing laboratory's knowledge. According to the mandatory guidelines, the number of blind specimens was set at 10 percent of all subject specimens. While many private employers rely on laboratory-initiated quality control, a number of companies submit their own blind specimens. If purchased by the company from a supplier, these quality control specimens, as well as the cost of conducting the analysis, also need to be factored into the price.

According to a recent report in *The New York Times*, tests conducted by major laboratories (such as SmithKline Beecham, Hoffmann-LaRoche, Metpath, Compuchem and Damon) under federal guidelines cost between $30 and $35 per test, and about $10 less for tests not subject to federal rules. Total per-test costs, including those associated with setting up a testing program, could run between $60 and $85.[2]

[1] United States General Accounting Office, *Employee Drug Testing: Agency Costs May Vary from Earlier Estimates*, GAO/GGD-89-75 (Washington, DC: United States General Accounting Office, May 1989).

[2] Milt Freudenheim, "Booming Business: Drug Use Tests," *The New York Times*, January 3, 1990.

introduced in Congress in 1989 and 1990 have proposed the establishment of standards for drug testing, including the use of certified laboratories, in the private sector.[3]

Other considerations in laboratory selection, though not top ranked by the respondents, include the laboratory's ability to provide a quick turnaround in the test results, and to provide services to many locations. Price did not appear to be a determining factor, although companies review all costs associated with drug testing programs in their decision process. (See box above on costs of drug tests.)

[3] The Senate bill (S 1903) also proposes giving business the right to test for drug use. See "Koop Backs Bill to Set Drug Testing Standards, *The New York Times*, January 17, 1990.

Extensive services are offered by the testing laboratories—and many of the corporations in the Board's study make extensive use of them. Nearly two-fifths of the respondents (38 percent), for example, engage the outside laboratory for both sample collection *and* all testing procedures. A slightly smaller group of companies (37 percent) rely on the laboratory for all specimen testing, but use company medical personnel to collect samples on-site. One firm, headquartered in New Orleans, uses a contract laboratory for pre-employment purposes, but conducts employee drug tests in-house. Some other examples:

- Abbott Laboratories, a pharmaceutical firm producing drug testing products for other laboratories, conducts its own sampling in-house for all its Illinois operations, and performs

its own preliminary screening. Confirmation of all positive tests is done at one of two large reference laboratories.

- AT&T, which uses staff medical personnel for sample collection, sends all its specimens to one national laboratory for both screening and confirmation testing.
- Georgia Power splits the samples it collects. Half of each sample is retained in the medical office, and the other half is sent to a contract laboratory for screening and, if necessary, confirmation testing. If handling of the sample later becomes an issue, the employee can elect to have the retained half retested by a second laboratory—at the company's expense.

Close to a fifth of the responding employers (58 companies) acknowledge that, despite precautions, variations occur in the testing procedures, which, they concede, can interfere with the successful operation of the program. Some of these differences may be dictated by state or local regulations (see box, p. 24-25). More frequently, however, adequate on-site medical facilities are not available in all company locations. Instead, local clinics, hospitals, or medical offices are used—sometimes when company medical personnel are present. Or the firm will allow individuals to go to their personal physicians for the drug tests. Corporate executives point out that local physicians sometimes are not comfortable with the specific procedures outlined in the company's policy, thus creating situations that are not easily managed from headquarters. Nonetheless, such alternatives may be the only choice in outlying areas, or at sites where few tests are conducted.

Drugs Chosen for Testing. Companies often make their selection from a group of test "packages" prepared by the testing laboratory, although testing programs can also be tailored to a company's specific requirements. The widespread use of standard drug testing packages assures a certain sameness in the types of urine tests used and in the array of drugs they are intended to detect.

About 90 percent of the employers surveyed state that their drug testing procedures are designed to detect recent use of: cocaine and its derivatives, marijuana and other cannabinoids, opiates, barbiturates and amphetamines. In addition, benzodiazepines and PCP (phencyclidine) are included among the list of drugs tested in 80 to 90 percent of the companies. Company testing programs affected by Department of Transportation rules are reduced to five drugs (marijuana, cocaine, opiates, amphetamines and PCP) unless the employer chooses to collect a second, separate, urine sample for use in detecting other drugs.

Beyond these (mostly) illegal substances, just over half of the survey respondents also test for alcohol use, although urine samples are generally not considered very effective since the body metabolizes this drug within a few hours of ingestion. Breathalyzers are used by 39, or 12 percent, of the responding firms. And one company in four analyzes some other biological samples (such as blood, saliva, or hair) in its screening processes. A midwestern bank, Michigan National Corp., for example, began testing hair samples of job applicants in early 1988.[6]

Sensitivity Thresholds. The widely recommended assays for broad screening purposes—TLC (thin-layer chromatography) and immunoassays (such as the EMIT, produced by Syva Company, and the *Abuscreen*, from Roche Diagnostics)—and gas chromatography/mass spectrometry (GC/MS) for confirmatory tests, are used by nine out of ten firms in the survey. Immunoassays used to detect drugs in the urine can identify minute amounts of drugs. Confirmatory tests, on the other hand, are designed to be very specific in order to verify the presence of drugs picked up in the preliminary screen.

Although some firms do not confirm all positive drug screens (particularly in the case of applicants), only five companies in the study report that no confirmation testing is done. Confirmatory tests are required by some state laws—Connecticut, for example, requires two different procedures before a positive drug test can be considered confirmed. (See box on p. 24.)

One of the hotly debated issues in drug testing relates to the sensitivity of the tests. At certain very sensitive levels, drug tests can record false positives. The debate on this issue centers particularly on marijuana. Assays set for cutoff levels of 100 nanograms per milliliter (ng/ml), officials from the National Institute on Drug Abuse observe, will eliminate the possibility of identifying passive inhalation of marijuana smoke.[7] But some industry officials contend that this threshold is too lenient, and have set their cutoff levels at 50—or even 20—ng/ml. These executives worry that the 100 ng/ml threshold required in the federal guidelines will become the accepted standard in court decisions or in legislation, thus eliminating the possibility of more stringent standards. Such parameters are already mandated in private sector testing programs affected by the Departments of Transportation and Defense regulations, for example.

Operational Procedures

Basic features of the drug testing process appear relatively uniform from company to company, according to the survey results. This consistency probably results from the

[6] "Banking Firm Tests for Drug Use Using Hair Strands of Applicants," *Employee Relations Weekly* (The Bureau of National Affairs), Vol. 6 (October 24, 1988), p. 1329. Questions about this relatively new procedure are raised in the article by a toxicologist, but the bank supports its decision because, a company spokesman reports, this type of drug test is noninvasive and comparable in price with urine testing for drug use.

[7] According to a study by the National Institute on Drug Abuse, and referred to in a report from the National Employment Law Institute, "five subjects were placed in a small room (9 x 6) for 1 hour a day for 6 consecutive days. Each day they were exposed to the smoke of 16 marijuana cigarettes. Only one of the subjects tested positive above the 100 ng/ml level. The conditions necessary to produce a positive test at the 100 ng/ml level based on passive inhalation of marijuana are so extreme as to render them a practical impossibility." From David A. Copus, *Matters of Substance: Alcohol and Drugs in the Workplace* (Larkspur, CA: National Employment Law Institute, February 1987), pp. 59-60.

What Drug Tests Show

Urine tests for drug use, properly conducted and confirmed, can detect the presence of drugs in a person's system. But different types of tests are used for different purposes. No test procedure is 100 percent sensitive *and* specific.[1] As required sensitivity is increased, and increasingly smaller amounts of drugs are detected, the probability of false positives (test samples erroneously identifying drug use) is also increased. Conversely, test criteria designed to reduce or eliminate the probability of false positives may allow for some false negatives (i.e., samples in which drugs are present but not detected). Officials at the National Institute on Drug Abuse chose the latter objective in setting guidelines for the federal program, in order to avoid falsely accusing individuals and, ultimately, possible legal challenges. (In government programs, as well as many corporate ones, a medical officer must review all test positives, providing an added measure of protection against misinterpretation.)

According to toxicologists, corporate medical officers, and other specialists who are knowledgeable about drugs and drug testing, employers need to be clear on their objectives before they can define the parameters of the drug tests. Is it, for example, the intent to detect any amount of drugs in the system, or only heavy use of a few drugs? Is the company concerned about identifying all drug users, even at the risk of falsely labeling some nonusers as users, or is it willing to let a few marginal users slip in with less sensitive tests? Are tests to be administered to the general population, as in preemployment screening, or are they intended for a special employee population, such as post-rehabilitation of former drug users? Decisions on these and other conditions should help determine the range of drugs to be identified, and the sensitivity and specificity of the drug tests.

Other concerns relate to the length of time that a given drug will remain detectable in the body. Since alcohol metabolizes quickly, urine tests are not considered very effective in determining alcohol use. Blood-alcohol concentrations, measured through breath or blood analysis, are the more common determinants of alcohol use, and the standards against which impairment is confirmed. Some other drugs—such as cocaine, amphetamines, and opiates—are detectable for relatively short periods of time, two or three days. Marijuana, on the other hand, can remain in the system for several weeks, particularly if the subject is a chronic user.

Knowledgeable executives and drug experts caution, too, about what drug tests *do not* reveal. They do not provide information on the pattern of usage or the amount; they do not indicate whether a person is abusing a drug or is addicted to it; they (normally) do not tell how recent the drug use is; and they do not measure impairment.

With these limitations in mind, an attorney from the American Civil Liberties Union suggests that a drug test should be considered only as a measure of the moral character, values and trustworthiness of an individual, since on-the-job use and impairment cannot be measured.[2] But a corporate medical director justifies his company's use of drug testing by observing that because impairment varies widely among individuals using drugs, drug tests are useful in screening out potential problems.

[1] For a more complete review of drug testing procedures and interpretation of results, see Robert V. Blanke, "Accuracy in Urinalysis," and Joseph E. Manno, "Interpretation of Urinalysis Results," in *Urine Testing for Drugs of Abuse*, NIDA Research Monograph Series No. 73, DHHS Publication No. (ADM) 87-1481, (Rockville, MD: U.S. Department of Health and Human Services, National Institute on Drug Abuse, 1986), pp. 43-61.

[2] See "Urinalysis Best Suited to Evaluating Character, Attorney Says," *Employee Relations Weekly* (The Bureau of National Affairs), Vol. 6. (February 29, 1988), p. 270.

concentration of contract laboratories used by the large employers surveyed, and the standardization of procedures found among these major suppliers of drug testing services.

The person directly involved with overseeing the sample collection and its delivery to the testing laboratory is typically a doctor, nurse, other health professional, or a medical technician. As noted earlier, an outside contractor may provide these services. This individual is responsible for completing necessary forms, securing approvals and other needed information from the test subjects, monitoring the collection process to assure sample integrity, and following appropriate chain-of-custody procedures.

Assuring Sample Integrity. Major drug testing laboratories supply their clients with individual test kits containing the necessary materials and outlining procedures to be followed. Such a kit, for example, includes copies of the necessary forms to be completed and signed, a plastic container for the specimen, and a plastic bag and sealing tape to prevent tampering. Companies may also prepare their own written procedures.

Eight out of ten companies require written consent from both applicants and active employees before drug testing can be done, although executives note that employee consent is sometimes difficult to obtain when serious incidents or accidents have occurred. All but a handful of companies also inquire prior to testing whether the individual is taking any prescription or over-the-counter medication that could affect the test results. Firms not willing to make such inquiries may be concerned about invasion of privacy, especially if the pre-test interview is not being handled by a medical professional.

How the sample collection process proceeds then depends on the personnel and facilities available, and degree of privacy accorded. A number of employers in the study require witnessed samples, believing this step critical for assuring the integrity of the specimen. (Some firms make provision for an observed collection only if the first sample is found to have faulty or suspicious characteristics.) But many other employers shy away from such procedures because they find them to be an unwarranted invasion of privacy—and not

necessarily foolproof ones at that. Companies operating in certain states are prohibited from witnessing a drug test.

Instead, these employers prefer to rely entirely on diminishing the possibility of cheating in other ways. Typical measures used by companies with drug testing programs to minimize—but not totally eliminate—the possibility of adulterated or false urine specimens include:

- Sampling only one individual at a time, sometimes by appointment only, or assigning a medical staff member to each subject being tested;
- Dyeing the toilet water blue;
- Providing no hot water or soap dispensers—or no tap water at all—in the collection area;
- Requiring test subjects to remove outer clothing (or wear only an examination gown), and permitting nothing to be carried into the lavatory stall;
- Requiring individuals to wash their hands immediately prior to sample collection (but in a room other than the collection area) to prevent sample contamination;
- Prohibiting toilet flushing while in the lavatory;
- Testing the temperature, pH level, and specific gravity of the specimen immediately following collection and in the presence of the test subject.

Apart from attempting to substitute clean or fake urine samples, test subjects have been known to consume large amounts of water prior to the test in order to dilute the urine, or to take prescription drugs that will mask the presence of illegal drugs.

Chain-of-Custody Procedures. Some of the procedures described in the previous section constitute part of the chain-of-custody process. Additional measures are also needed to ensure accurate identification and proper handling of the sample at the collection site and in transit to the testing laboratory. A chain-of-custody protocol may be provided clients by the testing laboratory, and thus is included in the contract with the client firm.

Steps in the chain-of-custody procedure outlined by the survey respondents include:

- Confirmation of identity of the test subject and sample by requiring photo ID and signature or initials on forms and container before and after the sample is collected; signature or initials on the tape sealing the container after it has been capped—and on package, if it is separately sealed;
- Signatures of the staff member completing the forms and monitoring the testing process at various points to confirm steps in the process, confirmed by initials or signature of the individual being tested;
- Provision of secure storage for test samples—e.g., locked, refrigerated areas—accessible only to appropriate staff until samples are picked up by laboratory courier service;
- Additional chain-of-custody procedures followed in transit and at the testing laboratory, and logs and signatures maintained to record times and identify individuals having access to test samples, as outlined in the contract with the client;
- Preservation of records about drug tests and chain-of-custody procedures by the employer and testing laboratory in accordance with acceptable legal practice.

Quality Assurance and Quality Control. Many laboratories routinely conduct their own quality control measures, and assurances are often written into client contracts that laboratory test procedures will withstand legal scrutiny. (Staff toxicologists in major laboratories are available to respond to client company questions and provide court testimony about test results if an employee challenges the accuracy of the laboratory's test process.) Some firms also rely on state certification, or laboratory accreditation by a recognized organization, as further assurance that quality standards are maintained.

Positive tests are typically retained (frozen) at the laboratory for a fixed or indefinite period, usually for at least several months. Samples may also be split and sealed at the collection site or at the laboratory, so that second confirmations can be made on contested positive screenings.

In addition, survey results show that companies are also likely to supplement the laboratory controls with their own quality checks. For example, General Dynamics, Campbell Soup, Borden, and IBM are among the corporations that periodically include blind or spiked samples (often containing drugs at or near cutoff thresholds) with regular shipments to the laboratory. For example, between 1 and 2 percent of the specimens submitted by IBM are known blanks or are deliberately spiked at near-threshold levels.

Firms may also contract with an outside quality assurance agency to oversee the testing methodology and accuracy of the testing laboratory, while DuPont uses a consultant (who also visits the laboratory on a periodic basis) to review laboratory test results and procedures. Other firms rely on regular visits to the testing laboratory by in-house medical personnel to assure compliance with testing procedures.

Access to Test Results. Quick turnaround is important in the drug testing process. When job applicants are involved, the company has to plan longer lead times to fill jobs. This means, for some, that candidates are tested and "reserved" for future openings and, for others, that a larger pool of candidates needs to be reviewed, and longer delays are incurred in filling vacancies. With employees, the goal is to get that person back on the job, unless serious violations of company policy have occurred and termination is mandated. At Combustion Engineering, for example, this imperative is particularly acute, because field engineers and technicians must undergo drug tests within 60 days of going on-site to a new location. When a service call comes in from a utility, the shutdown is often an emergency and the customer needs to get back on line as quickly as possible.

Once test results have been returned to the company—through computer links with the testing laboratory, overnight courier service, or other means—the number of individuals permitted access to such information is usually carefully controlled. One way to assure confidentiality is to retain all test data in the corporate and plant medical departments where privileged doctor-patient relationships are well-established. About a third of the companies say that lab reports are sent directly to company medical units, and that all records are retained by the medical staff. Other individuals—typically the officials in the recruiting department, or immediate supervisors if tests involve employees—are given information on a need-to-know basis. Control of records within the medical department often means that nonmedical personnel do not learn details of drug tests, and may only be told that the individual in question did not pass the medical evaluation.

The majority of firms, however, designate officials in the personnel/human resources/labor relations functions to manage all aspects of data receipt and maintenance. Such assignments reflect the fact that most testing done in corporations takes place during the employment process, or, in the case of labor relations, involve nonmanagement employees in firms with unionized work forces. Safety and security departments appear to be involved only in a minority of companies, and, if outside consultants are used in managing the drug testing program, records are sometimes retained outside the firm. In a very few cases, senior management takes responsibility for these tasks.

Positive test results are likely to be the primary or only records retained, either for job applicants or for active employees. Retention time in surveyed companies varies from six months to "indefinitely." Any reports on test results that are widely distributed contain data summaries only and list no names.

Notification of Applicants and Employees. The hiring official is usually the person responsible for notifying job candidates who test positive for drug use, although firms that handle drug testing as a strictly medical procedure, as noted earlier, may not involve other company personnel. In companies, such as Russell Corporation, a southern apparel manufacturer, the confidentiality issue permits the recruiting officer to learn only that employment has been denied because the individual failed to pass the pre-employment physical examination. Applicants, too, may not be told of their test results, but only that they did not qualify for the job. Such is the procedure at United Airlines, among other firms.

Other employers, such as Abbott Laboratories, say they owe it to applicants to be up front with them. Dr. J. Michael Walsh, director of the Division of Applied Research at the National Institute on Drug Abuse, concurs: "Here is an opportunity to bring an individual using drugs in contact with the contingencies. Many companies will give that applicant another chance to reapply—he or she needs that message in order to get cleaned up and come back."

How employees are informed depends on the reason for the test. If, for example, the employee undergoes a physical examination, the findings are communicated by the company medical staff or outside clinic involved. If the employee is in a treatment program supervised by the EAP, that function typically maintains the contact. But "suspicious behavior" or a more serious incident or accident is likely to bring other company officials into the communications process—for example, human resources or employee relations personnel, the plant manager, the immediate supervisor, and/or the security officer.

Consequences of Positive Test Results

In seven out of ten firms (72 percent), confirmation of the preliminary positive drug test is a standard procedure for job applicants. But a substantial 28 percent of the respondents rely on a single broad screening measure to determine drug use among individuals seeking employment. When active employees are subjected to drug screening, confirmatory tests are more common, but still not universal. Among those studied, 85 percent retest preliminary positives, 15 percent do not. A number of state laws enacted in recent years require confirmation tests, as do the federal guidelines covering drug testing in federal agencies (see box, p. 24-25).

Since employers are less likely to be affected by legal challenges when job applicants are tested, and since many more applicant tests are generally conducted, the procedures for this group are straightforward, and the outcomes clearly indicated. On the other hand, depending on the circumstances, the consequences for employees with positive drug scores may involve alternative courses of action.

Pre-employment Drug Tests

According to the surveyed companies, applicants who test positive for drug use can be virtually assured that no job offer will be made at that time (see also footnote 1, p. 18). Three-fourths of the firms studied accept reapplications from candidates who have previously been rejected for drug use, but these companies require a waiting period of at least several months before a new application can be submitted, and may require additional testing during the early months of employment if the candidate is hired. In one southern firm, for example, candidates may reapply after 90 days, but a second positive test will eliminate their future chances for employment. That firm also specifies that a candidate who passes the second test must agree in writing to random drug tests for a period of 24 months. Twenty-five percent of the employers in the survey state that a candidate will not be reconsidered once drug use has been detected.

Employees: Discipline or Discharge?

Although company policies are usually clear that unlawful acts, including the possession and sale of illegal drugs, are automatic grounds for dismissal, the presence of drugs in a person's system may not be. Employees with test-

confirmed drug use are almost always accorded access to the employee assistance and counseling program and, in fact, are strongly urged to seek help once a problem has been uncovered. Companies would prefer, however, to have employees seek help on their own, or yield to peer pressure, before drug use is detected by the company. (As a rule, survey results show that job applicants cannot avail themselves of the company's EAP services, although a half-dozen companies confirm that their EAPs do take on some pre-employment cases.)

Clear-cut mandates for specific courses of action against employees who have tested positive for drug use are rare. Most company policies are written to allow for discretionary judgment and consideration of extenuating circumstances in individual cases. However, survey evidence shows that employees are more likely to be *disciplined* following first confirmation of drug use, but can expect to be *discharged* on a second occurrence. Even so, nearly 60 companies in the survey (17 percent) report that drug users caught the first time will lose their jobs.

What action a company will take when employees refuse to follow recommended company procedures is not clearly indicated in the survey data—evidence of the different approaches taken by the participating companies, as well as special considerations given in individual circumstances. On balance, however, an employee's rejection of counseling or treatment, uncooperative behavior during treatment (such as failure to complete a prescribed treatment regimen), or afterwards (such as refusal to submit to post-treatment drug tests), all seem to be grounds for termination more often than not.

Job performance is an important consideration in determining how an employee is dealt with following drug detection—and may turn out to be a point of contention between employer and employee in unionized settings if the company bases its action on other criteria. In substance abuse cases, labor unions oppose disciplinary measures when they are not performance-based, and advocate EAP referrals prior to more punitive action. As noted in Chapter 2, early EAPs focused on substance abuse problems, and were supported by organized labor as a process for giving employees a second chance in dealing with their addictive behaviors (see also box on supervisory referrals, p. 26).

Drug Testing Program Results

Laboratory test results serve not only as a screening device for individual job candidates and employees, they are also used as an aggregate measure of the testing program's effectiveness.[8] The number of tests conducted, the number of positive results, and the types of drugs found, combine to provide a profile of drug use patterns in the test populations over time. Summary data on the company's drug testing activity are periodically reported to senior management. Since more than two-fifths of the drug testing programs identified by the surveyed companies were initiated within a year of the survey date, only short-term time comparisons are available on many test results. Independent studies evaluating the effects of these programs on company operations are also scarce.

Aggregate Measures

Results supplied by drug testing laboratories are influenced by the nature and sensitivity of the tests conducted and the type of population subjected to the procedures. These factors, among others, prevent valid company-to-company data comparisons in this analysis. For example, a company using a drug testing procedure that screens for marijuana at a 20 ng/ml level will pick up considerably more marijuana users (and possibly passive smoke inhalers) than one using the 100 ng/ml cutoff. Similarly, firms that employ broad screening procedures on large numbers of job applicants may detect greater drug use than those monitoring selected groups of employees. (Evidence from the BLS survey, noted earlier, reveals that 12 percent of the applicants subjected to drug tests in the 1987-1988 period studied tested positive for drug use, while 9 percent of the employees had positive test results.[9])

Trends are also difficult to assess from the survey data, except on an anecdotal basis. Very few of the survey respondents provided—or were able to provide—data for two comparable time periods. However, among those giving comparable results, a downward trend in drug use is generally recorded.

Although company officials anticipate that early dramatic declines in test scores will level off, some company experiences are illustrative of early statistics from the survey participants. Data from General Dynamics Corporation comparing the first nine months of 1986 and 1987, for example, showed a decline in positive tests from 5.2 percent to 3.9 percent. The level was 3.8 percent in 1989. Positive tests at New Jersey Bell Telephone Company dropped from 16.6 percent in 1986 to 14.2 percent in 1987, and 9.4 percent in 1988. Stanadyne's positive tests went from 10.0 to 6.4 percent between 1986 and 1988. When Prudential Insurance Company began its program in late 1986, the company was recording a 17.7 positive test rate; by 1989, that figure had dropped to 4.0 percent.

Company executives caution that such trends do not necessarily mean all good news for the firm, despite drug testing's reputation as a deterrent. As the company becomes more experienced in drug testing, so do the test subjects. Even with careful procedures, reports show that individuals have found clever ways to adulterate or substitute samples, or to prevent

[8] For a review of recent research evaluating workplace drug abuse programs, see Steven W. Gust and J. Michael Walsh, eds., *Drugs in the Workplace: Research and Evaluation Data*. National Institute on Drug Abuse Research Monograph Series No. 91, DHHS Publication No. (ADM)89-1612 (Rockville, MD: U.S. Department of Health and Human Services, Alcohol, Drug Abuse, and Mental Health Administration, 1989.)

[9] U.S. Bureau of Labor Statistics, *op. cit.*

Drug Testing's Benefits: Some Employer Evaluations

An analysis by Georgia Power Company, presented at a conference sponsored by the National Institute on Drug Abuse in September 1989, estimates that the company saved between $294,000 and $1.7 million by discharging and replacing 198 employees who had failed for-cause drug tests between 1983 and 1987.[1] The company's calculations are based on estimates of savings from the discharged workers' excess medical claims, compensated absences from work, and workers' compensation payments—averaged at $1,733 per employee per year. After adjusting for inflation in wages and medical costs, and accounting for an expected additional job tenure of about eight and one-half years had these workers not been discharged, the savings to the company comes to approximately $15,000 per employee terminated. Costs to the company—involving the drug tests, legal challenges, lost productivity, recruiting and training expenses—ranged from $7,287 and $8,063, depending on the individual's position and responsibilities.

An additional analysis by the company compares the cost of medical benefits used by the discharged drug-using workers with nonusers of the same age, sex, ethnicity, and job characteristics. Results showed that medical benefit costs and absenteeism were "significantly higher" among the drug users.

Another study, released by the U.S. Postal Service in February 1989, monitored the work histories of 5,465 job applicants in 21 sites who were tested for drug use and hired.[2] The two-year study was undertaken to develop statistical evidence on the link between applicant drug use and job performance. New hires, 8.4 percent of whom had positive drug tests, were subjected to a 90-day probationary period. The Postal Service chose to admit a controlled group of test-positives into the work force in order to conduct its study.

Among the findings in the preliminary results, individuals testing positive for drug use were 40 percent more likely to be fired and 43 percent more likely to be absent during the three-month probation than persons with negative drug tests. Although preliminary results appear to suggest a link, the Postal Service's study population was younger and contained more members of minority groups than the population at large. In addition, doctors involved in the study caution that such pre-employment tests cannot identify future problem employees. The American Postal Workers Union also found problems with the study.

In a recent decision (*American Postal Workers Union, Boston Metro Area Local v. Frank*, DC Mass, No. 87-1264-Mc, 11/21/89), drug testing conducted for the purpose of measuring job performance was declared unconstitutional. The judge did not order the data destroyed, however, noting the research value of the information collected and the fact that invasion of privacy did not continue once the test samples had been collected.[3]

[1] "Cost Savings are Substantial for Discharge of Workers Who Fail Drug Tests, Conference Told," *Daily Labor Report* (The Bureau of National Affairs), No. 189 (October 2, 1989), pp. A-7 and A-8. More detailed information on this study is provided in a report prepared by Southern Electric International, Inc., *Cost-Benefit Analysis of Georgia Power Company's Workplace Drug Testing Program*, for the National Institute on Drug Abuse, Contract No. 271-87-8204, (Atlanta, GA: Southern Electric International, Inc., November 17, 1989).

[2] "Preliminary Findings of Study Suggest Link Between Drug Abuse, Absenteeism," *Daily Labor Report* (The Bureau of National Affairs), No. 23 (February 6, 1989), p. A-7 and A-8; and "House Panel Explores Postal Service's Pre-employment Drug Testing Program," *Daily Labor Report* (The Bureau of National Affairs), No. 72 (April 17, 1989), pp. A-2 through A-4.

[3] "Drug Tests for Job Performance Study by Postal Service were Illegal, Judge Rules," *Daily Labor Report* (The Bureau of National Affairs), No. 238 (December 13, 1989), p. A-2 and A-3.

them from reaching the testing laboratory intact. As one physician put it, drug tests may be seen by some drug users as an opportunity to hone their test-beating skills. Seasoned executives thus tend to attribute some of the drop-off in positive test results over time to a more sophisticated test-taking population. Still, claims of beating the system may be overrated. As the vice president for public affairs at Southern Pacific Transportation Company observes: "Any employee who has such a problem that he carries around fake urine will get nailed by his conduct on the job."

Other employers point out that their test scores have never been very high. Duke Power Company, for one, indicates that its positives have been below 3 percent since the tests were initiated. (Test data that exclude applicants run even lower.) According to the vice president of human resources, the good scores may be attributable to the company's position as a major employer in the Carolinas, its reputation for high employment standards, and its location in the Bible Belt, where the tolerance for drug use is very low.

Evaluations Conducted

Only 31 companies (10 percent of those completing the question) indicated that they had conducted independent evaluations of their drug testing programs—beyond recording and interpreting trends supplied by the testing laboratory. Several companies, including AT&T and Georgia Power, were in the process of reviewing their programs at the time of the survey (see also above box).

Based on the responses, two-thirds of those few firms evaluating their programs have confined their studies to a review of internal records (including, for example, data on turnover, absenteeism, accidents or accident rates, incidents involving employee theft, and EAP use) to supply before-and-after snapshots of conditions in the work environment that could be related to the firm's drug program. Nine companies polled employee attitudes about company drug control efforts, and four corporations sought to evaluate the costs and benefits of their drug testing programs.

Chapter 4

Summary of Corporate Experiences and Recommendations

Despite the prevalence of drug testing among survey respondents, relatively few companies reported extensive experience with their programs. As noted in Chapter 2, more than two-fifths of the drug testing programs identified by the surveyed companies were initiated within a year of the survey date. Thus, time comparisons on test results are limited, as is extensive additional information about company experiences with these programs. Nonetheless, corporate assessments to date can provide some guidance to other companies that are undertaking drug testing programs.

Benefits and Problems in Drug Testing

Even though companies have little hard evidence to back up their claims, corporate executives appear generally satisfied with their drug testing experiences to date (Chart 15). In particular, they underscore what they perceive as the testing program's positive impact on the quality of job applicants. If laboratory results have registered a decline in the number of positive test scores in pre-employment screening, such information undoubtedly helps to bolster this impression.

Employers, in general, also credit drug testing with helping to improve the overall safety of the work environment, although many companies admit that while drug problems may have stimulated greater management attention to safety issues, drug testing may only be one of a number of measures recently undertaken to protect workers. Among the other benefits cited, half of the companies believe that their programs enhance the company's image in the community.

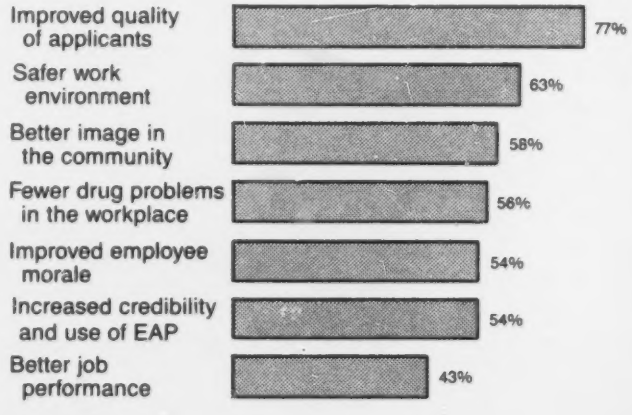
Additional comments on the survey forms and in interviews show that companies have found unexpected consequences to drug testing. A transportation and warehousing firm headquartered in the Midwest, for example, is now alerted to medications employees are taking that might affect their performance at work because these drugs must be reported on the chain-of-custody forms. A midwestern manufacturer finds that the advance planning needed in the recruiting process means that drug tests may be administered weeks before a candidate waiting in a pool is hired.

On the other side of the issue are a substantial number of employers who express uncertainty about often-reported benefits of drug testing. Their skepticism can be partially explained by the absence of evaluation studies (see p. 33). Establishing clear-cut links between drug testing and specific outcomes also proves difficult, since other substance abuse initiatives and external conditions may have also been involved. Nearly half of the respondents with testing programs, for example, report they do not know how job performance has been affected, if at all, and two-fifths admit they have no information about what effect drug testing has on reducing the extent and/or severity of drug abuse problems at their worksites. The only negative impressions of drug testing specifically cited by firms are its possibly deleterious effects on employee morale (but two of these 11 companies think morale is both positively *and* negatively affected) and an apparent erosion in the credibility of the EAP (three firms).

Chart 15

Perceived Benefits of Drug Testing

Percent of drug testing companies reporting benefits



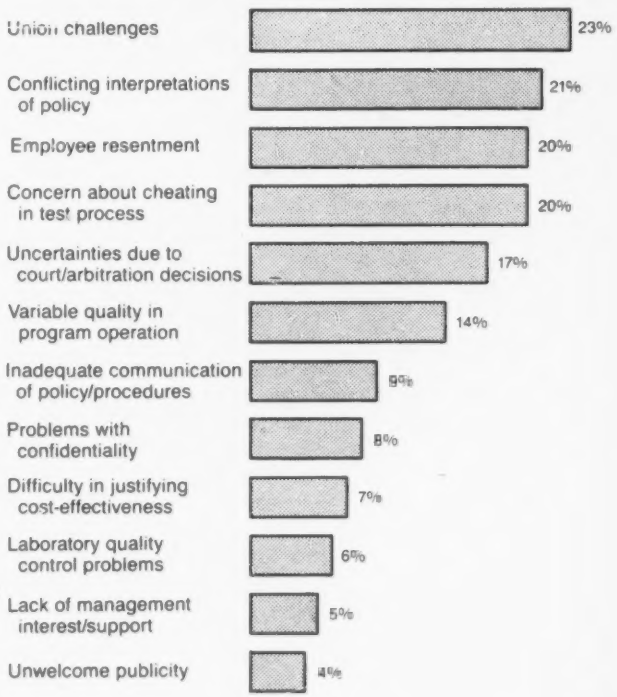
A significant number of corporate executives, however, concede that their drug testing programs have encountered some difficulties. Because of the newness of many corporate drug programs, such problems are likely to reflect early-stage adjustments in implementation. High on the list, as evidenced in previous observations, are employee resentment and/or union opposition (Chart 16). A fifth or more of the respondents found such resistance in their work forces. A similar percentage of executives observed that conflicting interpretations of company policy have led to problems, while somewhat smaller numbers are concerned about cheating in the sample collection process, and uncertainties created by the evolving case law regarding drug testing. Companies operating multi-site testing programs are sometimes plagued with difficulties in maintaining a common standard of quality in all locations.

Not surprising, however, is the finding that only a handful of companies say they are still struggling with issues of confidentiality and laboratory quality control. The recent federal guidelines, and the identification of nationally recognized laboratories, have helped put these problems to rest. Not surprising, too, is that very few companies complain about lack of management support. With all the publicity surrounding drug problems in the United States, corporate executives are generally supportive of workplace drug control measures. Any company that has adopted a drug testing program is likely to have debated the pros and cons extensively in senior management meetings. Thus, concerns about the cost-effectiveness of programs in most firms have already been resolved—in the minds of the decision makers, if not in actual dollar calculations. Unwelcome publicity may also have evolved into a nonissue. With so many major employers on the drug testing bandwagon, the negative press experienced by companies on the front line several years ago has largely dissipated.

Chart 16

Problems Encountered with Drug Testing Programs

Percent of drug testing companies reporting problems



Legal Considerations and Challenges

One of the major concerns that persists about drug testing is the attention it seems to receive in the courts and in arbitration proceedings. As noted in Chapter 3, the anticipation of legal challenges appears to be the predominant reason that nontesting firms have stayed away from these programs. The reports from the survey respondents engaged in drug testing, however, do not seem to bear out these concerns. Relatively few companies indicate their programs have been challenged in court or by unions in arbitration proceedings.

Altogether, 12 percent of the survey respondents conducting drug tests among applicants and/or employees (37 firms) report they have been challenged in the courts because of their testing programs, and close to double that percentage (69 firms) say they were involved in arbitration cases. Although some multiple experiences are evident in this small group of employers, most companies indicate they have dealt with only one or two cases, either in the courts or before arbitration judges. The newness of most drug testing programs, and the focus on applicant testing, may help explain why relatively few firms have faced legal confrontations to date.

Despite the limited number of corporations involved, conflicts between drug testing and employee rights have become high visibility issues in the press. (The impression of extensive litigation may be due, in fact, to the amount of coverage accorded some corporate cases, as well as the generally more intense legal activity in the public sector.) Over half of the companies that have faced court proceedings, and about a third of those with cases before arbitration judges, have been challenged on the testing process itself—the accuracy of the test results, and the procedures used to assure sample integrity and test validity. Companies have also dealt with invasion of privacy issues, both in the courts and at arbitration hearings. Union representatives in arbitration proceedings have focused particularly on wrongful discharge, violation of work rules, and failure of the employer to bargain as the bases for their complaints. In the experience of the companies surveyed, relatively few employers have received formal complaints of intentional infliction of emotional distress, unreasonable search and seizure, defamation, or handicap discrimination.

Ways To Improve Drug Testing Programs

The surveyed executives provided ideas for both internal improvements, typically ones they were facing in their own firms, and external changes (in regulations and in technology) that would help make drug testing less complicated and less controversial. Suggestions put forth by the survey participants reflect differences in extent of experience with drug testing and in nature of the work force or population being tested, among other factors. Thus, the ideas offered are not necessarily consistent, and even some of those that are may have different priorities in different companies. A sampling of these recommendations follows.

On administration and operational procedures:

- Recognize that uniform policies and procedures, once established, need constant refinement.
- Assign full-time responsibility for the drug program at the corporate level—it should not be a "fill-in" part-time job, or one shared by several managers at the same level.
- Expect program implementation to be time-consuming and uneven in corporations that engage in participative management—take advantage of the additional time required for correcting problems as the program is rolled out.
- Use one qualified, approved laboratory for all drug testing, and confirm all positive screens.
- Use qualified personnel to train staff in medical facilities who will be responsible for the testing process.
- Work to improve turnaround time on test results.
- Maintain an ongoing audit of all aspects of the program to ensure consistency with company standards and laboratory procedures—it is the company's responsibility to prevent or control mistakes.
- Computerize all data collection to speed up identification and assessment of problem areas in the system, and facilitate subsequent corrective action.
- Periodically assess results and cost-effectiveness of the program.
- Work to obtain wider union acceptance of drug testing.

On education and communication:

- Develop better materials for informing employees of the dangers of substance abuse in general, and the presence of drugs in the workplace in particular.
- Design education programs to reach dependents and other family members, not just employees; make materials and programs relevant to all segments of the work force—managers, supervisors, employees, unions.
- Provide regular progress reports to employees about the company's drug efforts; analyze test results to highlight companywide trends.
- Make communication of company policy on substance abuse an ongoing activity.
- Emphasize the message that the company's drug testing program is focused on rehabilitation, not punishment.
- Provide better information to employees about the accuracy of the testing process—perceptions that tests are inaccurate persist.

On training and the role of supervisors:

- Provide ongoing training for supervisors—they play a key role in the success of any drug testing program.
- Train supervisors to: recognize aberrant behavior; properly document warning signs; confront problem situations; understand the importance of early intervention and referral to the EAP; and develop greater consistency in dealing with alcohol problems.
- Recognize that both training *and* experience will lead to more accurate identification of "probable cause" and "reasonable suspicion" grounds for testing.
- Focus special training in areas of company where referrals are low or nonexistent.

On the role of the EAP:

- Establish a clear link between the drug testing program and the employee assistance program in order to demonstrate drug testing's positive message; some in-house EAP capability may be advisable.
- Promote the EAP services widely—at the work location and at home; build credibility by strict adherence to confidentiality.
- Recognize that some procedures may need to be adjusted or improved when drug testing programs are implemented—e.g., to speed up EAP intervention in drug cases, to deal with confidentiality issues when disciplinary action is needed, and to assist employees in better utilization of the service.
- Provide better after-care counseling for employees.

On technology and research:

- Develop faster, less intrusive, more reasonably priced tests.
- Streamline the technology for hair sample testing so that problems with current methods—privacy issues and time factors in detection of various drugs—can be overcome.
- Clarify and document the links between the use of various types of drugs and impairment; support the development of impairment-based drug tests.
- Develop techniques for more accurate cost/benefit analyses of drug testing programs.

On legal and regulatory action:

- Charge Congress with developing a model drug testing law to override conflicting state laws that make uniformity in corporate programs difficult or impossible.
- Urge business leaders to use influence in states considering new or revised legislation on drug testing so that laws passed will be workable.
- Secure agreement by the courts and arbitrators on company rights and limits of drug screening; work to secure a definitive decision on the overall legality of drug testing.
- Mandate drug testing in certain categories of jobs.
- Mandate laboratory certification.

Company Recommendations

Executives surveyed were asked to identify ways in which drug testing programs could be improved, and to offer recommendations to companies still considering these programs. Many of the recommended strategies are common to most "program" initiatives. For example, corporate programs—whether they address drugs in the workplace, work and family problems, energy conservation, employee wellness, quality management, or other issues—need top-level support and a champion (individual or department) to not only lead the charge, but keep it going after the first enthusiasm wears off. In addition, many players at all levels in the organization should be engaged in the early stages to ensure a "buy in" and a broad base of support. A clear and consistent message must be communicated so that employees at large, and supervisory personnel in particular, understand the importance of the issue and the critical role everyone plays. Finally, positive feedback about successes, not just the problems still ahead, must be provided in order to sustain interest and active participation.

A number of companies also responded by observing that their programs would be improved with expansion. Depending on the firm's current experience with drug testing, the expansion could mean moving from a few pilot projects to a larger number of locations on a permanent basis. It could also mean going from several locations to a companywide effort, from applicant testing to a program that also involves for-cause testing of employees, or from restricted employee testing to a broad-scale program covering many more job categories.

A few respondents have more far-reaching objectives. An official from a western pipeline company, for example, would like to see his firm conduct "a one-shot test of all employees, at all levels, to clear the slate." In that firm, opportunity for counseling and treatment would be made available to anyone who admitted drug use before the test sweep took place. A Florida manufacturer suggests that while wider employee testing "must be tempered by employee relations concerns, universal periodic testing should be a goal." And a California oil company notes: "As demonstrated by the experience in the military, in professional sports, and in the railroad industry, random or periodic testing may be the only effective and impartial way to bring a serious drug problem under control."

A number of themes recur in advice offered by the surveyed executives to firms not currently engaged in drug testing. Their overall satisfaction with drug testing, understandably, leads many to urge nontesting firms to get involved. Comments from the health and safety director at an Ohio-based manufacturing firm reflect this enthusiasm: "All companies should have [these programs]. While testing is not the ultimate answer to a drug-free workplace, it's a start. Justification of the expense can be based on the narrow view of safety alone—employee attendance, quality of product, and quantity of work are pluses. If you don't have a screening program, our rejects are hired by you."

Many of the recommendations the survey respondents put forth for improving their own programs may also be valid for other companies—with and without testing programs. The procedures for testing outlined in preceding chapters are also endorsed by a majority of the respondents with drug testing experience.

Some corporate executives, however, tempered their observations with cautionary notes. Several firms, for example, advise companies to first take stock of their own unique work conditions, business needs, and mode of operation. "A company should not start a program just because 'everyone else is doing it,'" counsels the human resources manager in a St. Louis corporation. Nor should companies overemphasize the benefits of drug testing. Cautions an Atlanta manufacturer: "Rather than being swept along by the media, companies should carefully evaluate their objectives and culture before taking steps. Education and employee assistance are far more powerful than drug testing." Going even further, an aircraft manufacturer states: "Drug testing is a very limited deterrent. A value system that does not tolerate substance abuse and a capable EAP are the only means to deal with [substance abuse] issues." And a down-to-earth reminder from the corporate medical director in a midwestern consumer goods firm: "Drug testing is not the solution to drug problems. It is only a piece of technology that supplies information for making intelligent decisions."

In sum, companies stress that drug testing is not a cure-all—or a substitute for good management practice. They emphasize that companies should do thorough research, proceed slowly, and implement a comprehensive substance abuse program. Corporations should also keep in mind, they say, that a clearly written corporate policy that is consistently and fairly applied, extensive and continuous employee education and supervisory training, and a well-funded, supportive employee assistance program, all operating in concert with drug testing, may be the most effective strategy for controlling substance abuse at the workplace.

Although constant vigilance is essential, a majority of these employers are optimistic. They believe, as a utility executive maintains: "Employees support reasonable programs." They also concur with the corporate medical director in an electronics firm: "It is possible to manage drugs at the workplace and do it well."